

license fees collected in their city, and a contribution equal in amount to their ordinary rate, could govern themselves without the aid of a Superintendent and Provincial Council. I believe that the citizens of the Thames would accept the same obligation on the same terms, and, as an old country settler, I know well what the outlying districts will say to proposals which give them the means of real local self-government.

The proposal which I have explained above with regard to provincial debts when applied to Canterbury, will place that province in an extraordinarily favourable position. Speaking broadly, most of her public debt will be cancelled, leaving her Land Fund free for public works within the district, besides having all necessary departments of Government carried on as now. Christchurch will obtain what she has so long contended for—the license fees collected in the city—besides the contribution of one pound for one collected by ordinary rates.

Now I can easily understand that I may be told I have proved too much. It will be said that if there is money enough to carry on the provincial districts in so satisfactory a manner, there must be money to carry on the Provincial Government; but this by no means follows, nor, if it did, would it be any answer to the proposal of the Government; for, in the first place, the proposed method of local administration being simpler, will be much less costly and much less wasteful. Secondly, my Statement this evening has, I submit, conclusively proved that the revenues of the colony are amply sufficient to meet all its liabilities, and provide efficient Government. Yet the experience of the last twenty years has shown that with the present Provincial Constitution it has been practically impossible for the General Assembly to distribute the revenue equitably, so as to meet the requirements of the people.

As the capabilities of the colony to bear the burden of its debts without undue pressure of taxation is a subject of grave uneasiness to some people, it is perhaps advisable that I should say a few words upon the subject. When all our authorized loans are raised, there will be a yearly charge of £1,035,775 15s. to be met, in addition to the ordinary expenses of Government. This is a large sum: how are we to meet it? Now, in the first place, it is important to remember that of this sum about £170,000 goes to Sinking Fund. As the Committee is aware, the annual contribution to Sinking Fund of £110,000 is invested in the purchase of our own debentures. The interest upon these purchased debentures—which two years hence will be £70,000 per annum—is regularly paid to the Sinking Fund Commissioners, who again invest it in the purchase of fresh debentures, and so on, continually. The colony is thus constantly becoming more and more its own creditor. In other words our debt is in reality being reduced by an annual contribution of £110,000, added to an existing sum of £1,074,647, and the whole being invested at compound interest; and though, of course, in stating our liabilities generally, no distinction is made between the Sinking Fund as a creditor and any other creditor, for my present purpose the distinction is most material. Secondly, with a population of, say, 358,000, our ordinary revenue is now, in round numbers, £1,605,000. But we may reasonably suppose, considering the sum that will be spent upon immigration, that at the end of two years our population will be at least 406,500. Now, the lowest average of revenue yielded by each member of the population during any one of the last ten years has been £3 11s. 10d. in 1870–71; the annual average for the whole ten years has been £4 5s. 1½d. Taking the minimum average of £3 11s. 10d., and applying it to a population of 406,500, we get a sum of £1,460,012, as the minimum ordinary revenue of the year 1876–77. If the average of the ten years were kept up—and this surely is no extravagant supposition—the sum would be £1,730,165. But taking it at the lowest average we have a revenue of £1,460,012, to meet the sum required. Thirdly, the Land Fund of the whole colony for the last ten years has, as I have said, averaged £580,613 1s. 4d. a year. Even if we were to assume a very large diminution in this fund, which I for one am not at all prepared to do, the Committee will see that it still remains a most important security for the public creditor; for under the law as it now exists, the Land Fund is chargeable with no less than £10,500,000, or more than one-half of our total public debt—namely, £500,000, under the Guaranteed Loan of 1856