

within which repayment of such advances shall not be required—would probably enable the Government to do without going upon the London market for another eighteen months; and next session a complete scheme of works could, no doubt, be submitted to the House. But this, as I have sufficiently explained, is a course which the Government cannot recommend the House to adopt.

But this course not recommended.

These, then, are the proposals of the Government. We shall ask authority to raise a loan of £2,000,000, of which £940,444 will be required for completing the trunk line of railway in the Middle Island from Amberley to Kingston, for making some extensions of the main line in the North Island, and for other necessary public works; and £800,000 for releasing the guaranteed debentures; the balance to defray Provincial liabilities. With regard to the Consolidated Revenue, I have shown to the Committee that it can bear all legitimate charges without having recourse to fresh taxation, if the Land Fund of those Provincial Districts which are able to bear it is charged with a small refund in aid of the interest on the cost of public works which has been paid out of the ordinary revenue; and I think the Committee will agree with me that this is a satisfactory result.

Recapitulation of proposals.

Before concluding, I desire, Sir, to direct attention to some matters which I regard as having an important bearing upon our financial position, and consideration of which is essential in dealing with the proposals I have had the honor to make.

Conclusion.

For some years past it has been evident to all of us that radical change in the Constitution was necessary. We have differed fundamentally as to what the nature of that change should be, but we have agreed that important modifications of some kind must be made. Consequently men's minds have been unsettled; the political horizon has been overcast and threatening. Before 1870 there had been several years of depression throughout the Colony. A restoration of confidence and of activity was essential; and, to secure it, bold steps were taken to open up and people the country. Since that time we have had for several years political anxiety and unrest: commercially and socially, we have had a condition of unexampled prosperity. Our great prosperity has been undoubtedly due, in part, to the success of the Immigration and Public Works Policy, to carry out which our loans were raised; but it was also due in part, to the high prices almost uninterruptedly obtained for our chief article of export, wool. During this period of prosperity, the House and the country have become accustomed to the belief that the desire of the people of a district to have a railway or other important work constructed, afforded sufficient reason for demanding that such work should be immediately undertaken. The idea has been prevalent that our powers of borrowing were unlimited; and, though we were not ignorant of the experience of other countries, many of us have seemed to think it was impossible we could go too far or too fast in raising money for works of a reproductive character. During the last year, the political crisis culminated in the Abolition of the Provinces. As a consequence, the County system was inaugurated; and I am sure it is scarcely necessary to suggest to honorable members that the labour and the anxiety involved in that inauguration are not measurable by the apparent ease with which the transition to the new state of things has been effected. During the last year, also, the financial position of the Colony had to be considered in its broadest sense. As Colonial Treasurer, I have had a promise to redeem, as well as proposals to develop. Two years ago, when first I had the honor of addressing the House as Treasurer, I said that it was the intention of the Government to spread over two years the expenditure of loans then authorized; and that has been more than accomplished, because, up to the 30th of June last, the expenditure out of loans has been £200,000 less than the amount of loans authorized at the time I spoke.

For years, modification of Constitution has been seen to be required.

Public Works Policy and its results.

Abolition of Provinces.

I trust, Sir, to have the concurrence of the Committee in my suggestion, that the result just stated, and the statistics as to the financial results of the past year which I have submitted, justify the conclusion that the Government have fairly realized the difficulties of the position and have successfully grappled with them.

For the immediate future, the Government believe that the need of the country is political rest. Time is needed for the completion and development of

For the present, further changes not desirable.