

Armed Constabulary and Police.

By the amalgamation of the Police and Armed Constabulary a saving of £33,000 a year has been effected; but I regret to say that a large increase, amounting to £10,989 0s. 4d., has been found necessary in the vote for Militia and Volunteers. This, however, is chiefly on account of stores and ammunition, which have become very low, and must be replenished, and for capitation provided for a larger number of Volunteers.

Surveys.

The charge for Surveys is very large, but, as honorable members know, the surveys are in a backward condition in most of the late provincial districts. The control is now in the hands of a thoroughly competent and economical officer, and I am sure the Committee will ungrudgingly sanction whatever expenditure may be required for so important an object as placing our surveys upon a proper footing for the future, and keeping them even with the requirements of settlement.

It will be observed that, so far, I have relieved the Land Fund from all the direct charges to which for years past it has been subject, except interest on Provincial Debts, the cost of Land Administration and Surveys, and the Subsidies to Road Boards.

Ways and Means,
1877-78.

WAYS AND MEANS, 1877-78.

Consolidated Fund
amply sufficient if not
burdened with Land
Fund charges.

As I have just shown, we have to provide for an aggregate expenditure of £3,109,754 12s. 9d. for the year. Of this £2,394,546 12s. 9d. is chargeable upon the Consolidated Fund; on the Gold Revenue, £72,000; and £643,208 upon the Land Fund, being such charges only as each fund should support. Now, if all the charges placed upon the Land Fund of each district could be recovered, the Consolidated Fund would be in a position to bear its legitimate burdens without difficulty. As a matter of fact, however, I do not think that more than £560,000 of that sum will be practically recoverable, the Land Fund in certain districts being insufficient to meet its liabilities. It will therefore be necessary either to supplement the Consolidated Revenue, or to relieve it of some of the charges I have proposed it shall bear. I dismiss, Sir, as altogether undesirable, the plan of charging such services as Police and Education upon the Land Fund of those districts which are able to bear them. They are charges which, in the opinion of the Government, should be borne upon the Consolidated Fund, aided, if necessary, by local rates. If the Committee agree with me that it would be unwise to charge against the Land Fund any of the services I have proposed to place upon the Consolidated Fund, it follows that the only course open to us is to increase that Fund up to our requirements. I say that it follows that for the present year this is the only course open to us, because I have satisfied myself that it is impossible so to reduce departmental expenditure as to bring our expenditure within our income unless we are prepared to relinquish some of the luxuries we enjoy in the way of Telegraphs, Postal Services, and Resident Magistracies, which are spread broadcast over the land, and which, as far as my experience goes, it is hopeless to attempt to reduce.

Telegraph and Postal
Services, &c., are
costly, but cannot be
reduced.

Consolidated Fund must
be aided, if required to
bear Land Fund charges.

Property and Income
Tax not desirable, and
need not be discussed at
present.

I take it for granted, then, that we must, at any rate, temporarily aid the Consolidated Fund; and the question is, How is this to be done? I know, Sir, that many persons whose opinions are entitled to great weight, from their position and their knowledge of the Colony and its requirements, think that the time has arrived for levying a Property and Income Tax; and, if we were now in a position to deal with the question of the re-adjustment of taxation, much might be said in support of such a tax. For my own part, I am very loth to open the question of taxation at present. Our liabilities being what they are, the subject of taxation is not lightly to be touched. It is one which requires the most careful thought—it must be considered as a whole, and it would be quite impossible to deal with it satisfactorily during the present Session. When our Trunk Railways are approaching completion, when we have had time to consolidate and settle down, and are able to determine our real requirements, then the whole incidence of taxation must be considered; but to deal with it now, in a fragmentary way, would, I think, be a serious mistake.