

For the reasons just stated, and because we think our requirements for the year can be met in a way which will be far more satisfactory to the country, and which is fair and reasonable, I shall not propose additional taxation this year. Additional taxation not proposed. And I venture to hope that additional taxation may be altogether avoided if we obtain from our railways that income which seems now assured, and if we are successful in the inscription of our Stock.

But here, Sir, it is necessary that I should recall the attention of honorable members to two principles which have been clearly recognized as underlying all our legislation relating to Waste Lands, and to Immigration and Public Works. Those two principles are—First, That the Land Fund shall be localized; second, Localization of the Land Fund. that the cost of Immigration, Roads, and Railways is a proper charge against the Land Fund. These principles have been constantly recognized; and though it is true that they have not been continuously acted upon, yet the recognition of them crops up in our legislation at almost every turn. By the Provincial Governments and Legislatures, which have hitherto had the practical control of the Land Revenue, the second of these principles has always been acted upon; but in this House expenditure upon Immigration, Roads, and Railways has been, from time to time, charged against the Consolidated Fund, as that fund has been found able to bear it; but these two important principles have never been abandoned or lost sight of by Parliament or the country.

With reference to the localization of the Land Fund, it is necessary that we should distinctly define in our own minds the meaning of the term. The meaning, What the phrase means. Sir, which I attach to the term “localization of the Land Fund” is, that the money received for the sale of the Crown lands within a defined district should be spent in opening up and peopling that district.

I am not, Sir, now going into the question of what is a district: that would open up far too wide a field altogether. For the purposes of my argument, I shall accept the districts as they are; although it should be noted that Parliament has always claimed and exercised the right of altering the boundaries of these districts from time to time. Most honorable members will go with me so far,—at any rate those will who, like myself, think that the proceeds of the land should be applied to the land,—that those who pay the most should receive the greatest facilities for occupation, and that to treat Land Fund as ordinary revenue is thoroughly bad in principle. Some few will probably desire to go even further; but, Sir, further than this in localization I am not prepared to go, for when the money has been spent in opening and peopling the district the object of localization is accomplished, our duty to the land is fulfilled, and there, in my opinion, localization ends. Government hold that “localization” ends with opening and settlement of the district whence Land Revenue is derived.

Holding, then, as I do, the opinion that with the proceeds of the land it is the duty of the State to open and settle the land, it seems to me not only no violation of the principle of localization, but merely an extension of it, to say that, if the State finds the money beforehand for these purposes, such an expenditure should be made a charge against the Land Fund, and that it is in accordance with the principle of localization to charge against the Land Fund of each district any sum not exceeding the amount expended within that district in any way which Parliament may determine is the most convenient. If the State advances funds for opening up and peopling a district, Land Revenue of that district should be liable for repayment.

Now, there has been raised for Railways and Immigration a sum, in round numbers, of £9,500,000, the whole of which is fairly a liability of the Land Fund. The annual charge on this sum for Interest and Sinking Fund is about £485,000. Out of this sum there had been expended, up to the 31st December, 1876, the day on which the accounts of the late provinces were closed, a net sum of £7,188,245; and the Colony had paid interest thereon to the amount of £825,482, but has only recovered from the provinces £160,343; so that, in aid of Land Fund, the Consolidated Fund has actually paid £665,139. The district Land Funds have benefited as follows:— Railways and Immigration: Interest on expenditure up to end 1876, £825,482, of which only £160,343 recovered from districts.