

the hurry of the Session, with all the political and departmental business appertaining to offices on my hands, to have met you with a Statement of our views on this subject to-night; nor has it been less difficult for my honorable colleagues and myself to arrive at a determination as to the sum necessary to be borrowed to meet our present requirements.

Sir, it is our intention to ask the House to consent to a loan of £4,000,000, feeling assured that the whole of this amount will be wanted. We propose, Sir, to redeem the Guaranteed Debentures, to provide for our Public Works, for Provincial liabilities, for other necessities of the year, and for all floating debts now due by the Colony; but there is also the million due to the two Banks, which we have not provided for here. At present, we have loans raised in London, loans raised in Sydney, loans raised in this Colony, and we have the Treasury Bills before referred to. The Government deem it desirable that this system should cease, and that there should be but one sort of funded colonial indebtedness for this Colony, showing at a glance the entire debt; one current or working account, showing our annual revenue and expenditure under their several principal heads; and that the numerous small and mystifying accounts and balances at present existing under the heading of the Public Account should be done away with; and that we should, as far as possible, have but one creditor—I mean the London Money Market. The practice of concealing—perhaps unintentionally—the amount of the colonial indebtedness, by the issue of Treasury Bills, and the raising of temporary loans in the colonies, has an effect even worse than imposing directly on the Home creditor. It encourages the people of this Colony to fancy their liabilities to be smaller than they really are, and to agitate for a greater expenditure than the Colony can afford. Fuller details of these questions will be given when the Loan Bill is brought down.

TAXATION.

We shall, however, during the recess seriously address ourselves to the consideration of large reductions in the public expenditure, which we have reasons for believing can be carried out; and we will also earnestly consider the question already discussed in this House of altering the present system of taxation in this Colony, with the view of more equally and fairly distributing its burdens upon the whole community.

Should our Land Receipts keep up, I apprehend that it will not be necessary to attempt to raise a larger revenue from the people than is now drawn from them, but, should that source of revenue fall off, we must be prepared to submit to heavier burdens to meet our obligations to our creditor, and conduct the business of the country. After the experience to be gained during the recess, we shall be in a better position to offer an opinion on the subject when Parliament meets next year.

ACTUAL PRESENT POSITION OF RECEIPTS AND EXPENDITURE.

With this Statement I propose to lay before the House a Table, marked No. 1, showing the Estimated Revenue from all sources, including land, and the expenditure for the present year, based upon the state of things which the Government found in existence upon taking office. This document is worthy the attention of the House: