

ation of the balance provided for in yearly instalments, to be completed in the month of May, 1858—At Auckland £16,000 on this account have been expended.

These extensive purchases have been made without any important increase of the Land Purchase Department; and so far from their having disarranged in any way the finances of the Colony, the Government has been able to fulfil the whole of the undertakings to which it was pledged in the Civil Secretary's Circular Letter of the 8th of August, 1853.

For instance, at Auckland there has been paid into the Provincial Chest out of the General Revenues, on account of the three quarters ended the 30th of June last, the sum of £32,020 13s. 4d., including £5,290 12s. for Immigration purposes. The total appropriation of the Province for the whole year being £32,262 1s. 9d. the advances issued out of the General Chest on account of the year ending 30th September, 1854, exclusive of those for Immigration, will greatly exceed the sums required to meet the Provincial appropriations.

At Wellington, the quarterly payments of two-thirds of the net Customs' Receipts averaged about £4,300; so that the sums paid into the Provincial Chest on the termination of the year in accordance with the terms of the Circular letter alluded to, will exceed £17,000. Estimating the Provincial Receipts from other sources of Revenue at £2,000, the balance of receipts in excess of the Provincial appropriation will be about £1,900.

At Canterbury, the sums appropriated by the Provincial Legislature amount to £19,000. The Land Fund receipts now lying in the General Chest at Canterbury exceed £30,000, of which £22,500 would be payable into the Provincial Chests under the Government regulations, had the Superintendent been prepared to give the guarantee, that the money should be appropriated in accordance with the scheme of the Canterbury Association. Putting out of consideration the Land Fund Receipts and the appropriations of the Provincial Legislatures for Public Works and Immigration—which appears to have been made in the anticipation of the available balance of the Local Land Fund Receipts being paid into the Provincial Chest,—the remaining appropriations will be fully met by the sums provided by the General Government.

It is impossible indeed to have anticipated a more favourable state of the Public Finances.

In reference to the distribution of the Land Fund, it will be seen by the regulations of Governor Sir George Grey, dated 8th August, 1853, that after certain deductions have been made, the balance of the Land Fund is to be divided into two equal parts, one for Immigration purposes, the other for Public Works; both being payable into the Provincial Chests. With the exception of the Province of Canterbury, this regulation has been carried out in each instance where a surplus has arisen.

By the provisions of the Constitution Act, however, the whole of the proceeds of the Land Fund are chargeable with the expenses of the General Government, in the same manner as any other portion of the Queen's Revenues in New Zealand. But the House will perhaps agree, that there is no fairer mode of apportioning the amount of general contribution to be furnished by each Province, than making it depend on the respective amounts of the Customs collection. These are a tolerably good exponent of the wealth, and number of inhabitants of each Province, and the share of the general burden ought to be mainly dependent on these two conditions. It has moreover been the tendency of Legislation in these Islands to appropriate the Land Revenues as much as possible for the benefit of the locality in which they were raised; and I do not think the House can legislate more beneficially for the Colony in respect of them, than to appropriate as large a portion as possible of the net receipts to Provincial purposes.

In reference to that part of the arrangement detailed in the Civil Secretary's letter of the 8th of August, 1853, in which allusions are made to the probability that the proportion of the Customs' Revenue payable to the Provinces, would eventually exceed two-thirds of the collections, it is necessary to remark that the annual expenses of the General Government were estimated by the Governor, on the 8th of August, 1853, to be about 21,000, including the expenditure on account of the Civil List. Had this calculation proved correct, a considerable addition to the proportion of two-thirds of the Customs' Receipts would have been available for Provincial purposes. But the Civil List alone being £16,000, this calculation allows only £5,000 for defraying the other expenses of the General Government; a sum quite inadequate for the purpose. The expenses of the General Assembly, exclusive of the Building of the House, are estimated at £5,000; the Interest on Debentures, exclusive of that on the Wellington Land Debentures, amount to £2,225 17s. In fact, the charges on account of the Civil List and the Departments of the General Government amount to £37,329 3s. 10d. exclusive of all expenses on account of the Aborigines. Of this sum £13,000 are exclusively required for departments of the General Government not provided for in the Civil List. Even this, I think, will be found insufficient to conduct efficiently the present establishments. Since the passing of the last Appropriation Ordinance, on which the present expenditure has principally been based, the prices of the necessities of life have