

(Continued from Supplement.)

The Witness: I will not answer you, then.

Mr. Howorth: Then my client will not have justice, then.

His Worship: It is not usual to go into the defence in a preliminary examination. Counsel have no legal right to be present at a preliminary enquiry.

Mr. Howorth: I understand your Worship to say that it is an unnecessary question. The Bishop says that he is quite able to answer it. I asked how long since this rule or practice of celibacy has prevailed in the Church.

His Worship: It is not a fitting question—going into historical matters. Here it is sworn that there is an existing vow. Afterwards, imagining you may refer to it, the Court is supposed to have its own knowledge of history. You may then quote history. But at present it is taking up time unnecessarily.

Mr. Howorth: Then your Worship simply says that I am at liberty to state, in argument, what authorities I can on the matter, without being allowed to ask the witnesses any questions?

His Worship: You will be left in this difficulty always. Supposing the hierarchy of the Catholic Church had certain institutions 100 years ago, or 20 years ago. The question is, have they one now? What the people did in the last generation, or the one preceding that, cannot have any bearing upon this subject. There is an existing institution sworn to, namely, a vow and obligation of chastity. Have I any right to listen to anything done in bygone days?

Mr. Howorth: I submit that your Worship has.

His Worship: If you bear in mind that I am not trying the case—

Mr. Howorth: If you are going to send the case to a higher Court, I may as well sit down.

His Worship: I am not saying that, but I must limit your enquiries.

Mr. Howorth to the witness: You do not consider, for a moment, that the paragraph applies to yourself?

The Witness: I cannot say; it applies to a clergyman in Dunedin.

Mr. Howorth: Supposing you were at Salt Lake City, and that a paragraph appeared stating that a Mormon had thrown off the trammels of Mormonism, which allows polygamy, and was living with one wife, would that affect you, or would you be concerned about it?

The Witness: Your supposition is beside the question, and without meaning, with all due respect.

His Worship: I think Mormonism is contrary to the United States law.

Mr. Howorth: The Catholic body has no status in New Zealand.

His Worship: The witness is not a Mormon.

Mr. Howorth: Nor am I a Roman Catholic [To the witness.] You do not see any analogy in the case which I have put in regard to Mormonism?

The Witness: I do not see its bearing. We are here seeking the protection of the law for our characters, and I do not see what Mormonism has to do with it.

Mr. Howorth: In consequence of your Worship's ruling, I am shut out from asking a great many questions which I wished to put to Bishop Moran.

Mr. Macassey: That is the case for the prosecution.

Mr. Howorth: After your Worship's ruling, I would like to consider whether I shall adduce evidence or not.

It was then agreed that the case should be postponed until Saturday morning, at 10 o'clock. The defendant to enter into his own recognisance of £100 for his appearance.

The Court then adjourned.

THE FINANCIAL STATEMENT.

(Abridged from the 'Guardian'.)

LAST year it was proposed to dispose of the unsold balances of various loans. In pursuance of this determination, the Agent-General and Crown Agents jointly were authorised to sell some £1,250,000 unguaranteed debentures under various Acts. They reported a sale to be impracticable at previous rates, and instructions were then given to them to effect a temporary loan on the securities. They are now negotiating for a 12-months' loan of one million on short-dated debentures. Taking into account the guaranteed debentures, the remaining balances of unguaranteed debentures, the repayments of all advances to the Provinces, and of those to water-race companies, there would be left out of the amounts authorised out of the Public Works Account £1,400,000 to be expended. Of the Defence Loan there was probably £40,000 available for expenditure. The gross public debt of the Colony, when the balance of all loans now authorised is raised, will be £19,543,194, and the annual charge thereon for interest and sinking fund £1,035,164. Deducting the accrued sinking fund—£1,229,200—from the principal sum, the amount of liability is £18,313,994. These figures include the Provincial indebtedness, which, irrespective of the debt for railways, amounts to about three and a half millions, involving an annual charge of about £220,000. As the Provincial debts are charged on the land fund of the different Provinces, we have the charge on the Consolidated Revenue reduced by the amount named, and the result stands an annual charge of about £815,000 on the Consolidated Revenue, and £220,000 on the Land Revenue. Amongst the items for expenditure was £15,000 for State forests. By some oversight, £5000, which ought to have been set apart for the year ending June 30, 1875, was not reserved, and he had caused it to be now added to the £15,000 for the current year. The revenue for 1875-6 was about £119,000 less than was estimated last session, but was £29,000 in excess of the actual revenue for 1874-5. After making ample provision for meeting all the liabilities of 1875-6, there was a surplus of £72,000 with which to commence the current year, 1876-7. The land revenue for 1875-6 was set down at £836,000. The total balance to credit of the Annuities and Insurance account, including the value of investments held, is £109,967 12s 1d. The

surplus shown, after estimating the present value of liabilities and premiums, is about £12,000. The Provinces have broken down because of their coming into conflict with the Colonial Government on many points, and especially on points of finance. Their doom was only a question of time, when it became obvious that they could not raise their own revenues, that they had to look to the General Government to supply deficiencies, and that they could not borrow without the Colony becoming liable. I tried hard in 1873 to make it otherwise. I endeavored to give them a separate finance, and I thought I had devised means by which they could borrow without the Colony becoming liable. These efforts have all failed, and now we have to build up again more soundly, knowing as we do the faults we must avoid. We have arrived, then, at three clear aims: The interests of the towns to be kept from conflicting with those of the country districts; the interests of both to be kept from conflict with those of the Colony; and a separate system of finance for each. To carry out these conditions we have first to determine to have only one Legislature. We propose then to constitute districts, divorced from the town, and not possessing powers of legislation, but endowed with clearly-defined duties, revenues, and authority to augment revenue. We shall call them counties, and we aim at separating them from road districts, towns, and the Colony in regard to their duties and finance. With the finance I have chiefly to do, and the essence of our plan is, that the counties, the road districts, and the towns will not be able to pledge the credit of the Colony, whilst their own credit and revenue will be sufficient to enable them to perform the work assigned to them. We desire to avoid the imposition of a property tax and an income tax. If in the opinion of the House it is desirable to extend the scope of expenditure out of Consolidated Revenue beyond our proposals, then direct taxation will be necessary; but we hope that there will be evinced a disposition to forego such extension with the view of placing the Consolidated Revenue on a sound footing, without making New Zealand the first of the group of Colonies to levy an income and property tax. Assured of the necessity of reducing the demands on the Consolidated Revenue, we cannot recommend to the Assembly to insist on the expenditure for education being entirely borne by that revenue. We propose to charge two-thirds of it to land Revenue, leaving the consolidated revenue to furnish one-third. Besides the cost of inspection of primary schools throughout the country, the cost of school buildings we propose should, in great measure, be charged to reserves, and for that purpose we shall move for power being given to school boards to borrow on the security of reserves. I speak of reserves for primary education. The balance of revenue from reserves, after meeting loan charges, we are willing should be devoted to lessening the contribution from Land Revenue, so that in fact the reserves will pass in aid of that revenue and not in aid of the Consolidated Revenue, which will continue to pay its third and the cost of inspection. We do not desire to see special taxation for educational purposes, and will propose its abolishment wherever it exists. We think, however, the children educated at schools should pay a modest fee, and it is part of our plan, whilst the revenues from the reserves shall pass in reduction of contributions from Land Revenue, fees shall pass in reduction of contributions from Consolidated Revenue. We do not propose to reduce the subsidies from Consolidated Revenue to Road Districts and Boroughs the subsidies payable by legislation of last year to road boards and counties from the Consolidated Revenue and Land Revenue, amounting to £1 to £2. We intend to equally divide between the road districts and counties the license fees collected within their limits. We propose to give to counties the license fees, and £1 to £2 to boroughs from Consolidated Revenue we are still willing to give; only we think some duties should be entailed on boroughs in return. It seems to us they as well as counties should contribute to the support of charitable institutions, and we propose to make this a condition of grant. We shall submit a provision by which outside districts using these charities may be called on to assist them. Whilst they are in Government hands private charity is discouraged. The corporations and county councils, by making grants to these institutions proportionate to the amounts privately contributed, would encourage private assistance, and save a great deal of money; and we shall be willing that Consolidated Revenue shall in like manner contribute 5s for every £1 raised by private subscription. We propose that, in consideration of the Colony accepting the liability for the construction of authorised railways, and for those yet required to complete trunk lines, as also the liability for cost—past and future—of immigration, a certain contribution from the Land Revenue should be made. We don't see how otherwise it can be done without recourse to large direct taxation. The land revenue of each Province should from first have been made to bear the entire interest on railways in course of construction within each province. I have more than once said we had to submit to expenditure to induce the Provinces to rest contented with our performing works so signally useful to them as the railways with which we have liberally gifted them, for up to their completion they not only incurred no charge, but largely enhanced their revenues by the sale of land, induced by the prospect of railway communication. I do not hesitate to say that in letting the Consolidated Revenue bear the cost of interest on these works whilst in the course of construction, we submitted to an expenditure which should have been charged on the Land Revenue of the Provinces respectively interested. This plan can't be continued if we are place the Consolidated Revenue on a satisfactory footing. A contribution from the land revenue is justified and is strictly in accordance with conditions under which the public works policy was instituted. Indeed the original intention was to look to large assistance from waste lands. We propose from the Land Fund of each Provincial district to expend for three years 2 per cent; for the next three years, 1½ per cent; and for the next three years, 1¼ per cent. on the total expenditure on railways within such districts, after which time we