

unpaid notes of Assisted Emigrants; and that with regard to the Railway Loan, there has been as yet expended only £10,000 * in anticipation of its negotiation.

Before indicating in detail the leading items into which I shall recommend you to distribute the public income, I must earnestly ask your assistance in an endeavour to firmly engraft on the system that shall govern the future appropriation of the revenues of this Province, a great fundamental rule, to the effect that the land revenues shall be materially devoted to such works and outlays as are directly calculated to facilitate the beneficial use and occupation of the waste lands whence the revenue is derived.

In order to the effective maintenance of such a rule, it will every year be necessary to make a special allocation of a specific proportion of revenue to rural roads, bridges, and drainage. The comparatively high price of waste lands in Canterbury was clearly intended by the Legislature,

* To make the ordinary Provincial Treasury Credit amount to the sum stated above, the Draft on the Railway Loan Account should be shown to be £20,000 nominally, whereas £10,000 only has as yet been drawn.

and is paid by the land purchaser as a provision not for the establishment of luxurious cities, but for the purchase of those roads, bridges, and means of drainage which are necessary to the reasonable enjoyment of the lands sold. A just proportion of expenditure having been fully made in any particular district, such district should thenceforward mainly support the expenditure consequent on disrepairs, and also of such additional works as the inhabitants thereof might deem it desirable to entertain. While, on the other hand, it might be held as just that municipal revenues—for example, the provincial three-eighths of the Customs duties, and various other resources of a kindred nature—should be applicable principally to assisting the local efforts of town municipalities.

I am assured that there exists no reason for entertaining doubts as to your entire willingness to ordain an equitable apportionment of revenue in favor of those to whom it is morally due. I am aware that it will be perfectly unnecessary for me to urge reasons of policy in this behalf. I may state, however, that complaints, in themselves