

the Throne. It is absolutely necessary that members should be reasonable in their demands for the prosecution of railways. In the interests—I will not say of economy only, but of prudence and common-sense—railway works must be carried on with some regard to obtaining early returns as the work progresses.

I will now say a few words concerning the railways specially mentioned in the Royal Speech. We still adhere to the opinion that the North Island Trunk Railway is of supreme importance, and must be proceeded with as rapidly as possible. In connection with it we also recognize the necessity of obtaining large blocks of land along the line of route, and of making them the subjects of special settlements. We still regard some of the lines as of exceptional importance. Amongst them I may mention the Otago Central and the short piece that will place the Napier line in connection with the line from Wellington northwards. We shall introduce a Bill to authorize the Government to enter into an agreement with a company or syndicate for the construction of the line between the east and west coasts of the Middle Island. We shall make provision in the Bill for authority to enter into an agreement, on the same conditions, with the same or another syndicate or company, for the extension of the line from Nelson to connect with some point of the through east and west line, thus giving Nelson communication with both coasts. The conditions we shall propose will not be onerous on the Government, but they will be sufficiently favourable to enable, in our opinion, the contractors to procure the necessary capital. In these and other future arrangements with private persons for the construction of railways, we shall keep in view that it is desirable all lines in the country should be worked by the Government.

SUBJECTS INDIRECTLY BEARING ON FINANCE.

There are several subjects indirectly bearing on finance about which I might have much to say, only that I have already greatly trespassed on the indulgence of the Committee. I must, however, make a reference to the subject of local government. The Colonial Government and Parliament may do a great deal to push the colony forward, but all their efforts will be incomplete if they are not seconded by the self-governing instincts and abilities of the separate localities. In order that local government should be efficient, it must possess considerable freedom of action, a defined revenue or means of raising revenue, and inducements to exercise economy. Railways do not dispense with the necessity of roads and bridges to open up the country: on the contrary, their own success depends on the energy with which the arteries to feed them are made available to their use. There is more need than ever for opening up lands, for promoting settlement, and for constructing means of communication in the shape of roads and bridges. For these works the country must chiefly depend on local efforts. It may assist, and, when it does assist, it should assist effectually. In connection with the railways, we have in view special settlements, within which a great number of families should be grouped. We want to see a large population located on the lands of the colony, enjoying its free institutions, and not in dread of the security of property being invaded. The present system of local government falls short of what the interests of the country require. We have determined to appoint, during the recess, a Royal Commission to inquire into and report on the whole subject. We will not consider the results of the investigation our private property. They shall belong to Parliament and to whatever Government is in office. Upon them we hope that, next session, legislation will be founded which will vastly improve the present system of local government.

Under a reinstated finance and diminished expenditure, the country will, we are convinced, rouse itself from apathy and spring forward with leaps and bounds of progress. It is a mistake to suppose that borrowed money is the cause, instead of the consequence, of prosperity. Long before the borrowed money was being spent in any quantity, after the policy of 1870 was proposed, the colony was replete with progress. With common prudence we need have no more financial embarrassment or vexatious taxation. We may banish from our minds the philanthropic notion of insurance against pauperism, which might more correctly be termed insurance of pauperism. We must make our railways as we are able to do so, without undue pressure. We must look forward to the