

ESTIMATED RESULTS AS BETWEEN EXPENDITURE AND REVENUE.

The anticipated expenditure is £4,070,208, and the estimated revenue £4,074,920. To the latter has to be added the surplus of £37,859 at the commencement of the year. Together these amount to £4,112,779, and leave a surplus of £42,571, which will be reducible by any supplementary estimates that may be appropriated.

LOANS AND PUBLIC WORKS.

Honourable members will be anxious to know what are the proposals concerning the expenditure of borrowed money and the prosecution of public works. It is natural in connection with these subjects that I should congratulate the Committee on there being every reason to expect that the great work of the construction of the East and West Coast and Nelson Railway (now known as the New Zealand Midland) will be carried out by a powerful company. I do not recall the opinion I have previously expressed that this railway should be made by the colony if it could not be constructed by private enterprise. But I think that the latter course is more desirable because of the magnitude of the expenditure required, and because, for economical reasons, it is desirable that the railway should be constructed more rapidly than the colony would be able to make it, having regard to the practice that prevails of distributing over the country the expenditure on public works. Had it been requisite to include the Midland Railway in the works for which provision has to be made, there would, it is idle to deny, have been considerable difficulty in allocating a reasonable division of expenditure, and so we have reason to be gratified at the removal of an element of a disturbing character. But the pleasure this may cause us is trifling compared with the rejoicing we should feel in knowing that a work is provided for calculated to benefit the colony in many ways to a vast extent. To me, personally, I may be allowed to say, there is particular satisfaction in the reflection that at last my conception of a thorough trunk system of railways for both Islands seems fairly in the way of completion. The separation of Nelson, Marlborough, and the West Coast from the railway system of the Middle Island has always been a subject of great regret to me. Pleased as I am at the advantages Canterbury will reap from the railway, I believe I am fully as much pleased in feeling that to some extent, however humble, I have been instrumental in paying to Nelson, Marlborough, and Westland a long-delayed obligation.

It is only necessary that means should be provided for connecting Blenheim with Tophouse, and for extending the Auckland Railway farther north, to complete provision for the trunk system of the two Islands. The present Government have frequently declared their opinion that a larger proportion of borrowed money should be spent on railways, and that the railways determined on should be constructed with vigour, to secure speedy economical results. They have also insisted that whilst labour is plentiful and money and material cheap the time is particularly suitable for proceeding with such undertakings. It has been a matter of anxious consideration with them whether they should bring down proposals for works extending over a period of from five to ten years, and provide a loan to be borrowed from time to time as required to complete those works, or should be content with making proposals to extend over a shorter period. They have determined on the latter course for more than one reason. First, I may say, that it is not inconsistent with the great object of rapidly pushing forward the works which demand the most consideration. Again, it will keep the control of the expenditure more within the grasp of Parliament—an object of which they readily admit the value, so long as due faith is kept in the matter of using the loans for the purposes for which they are borrowed. Lastly, they have reason to think that the detraction to which New Zealand has been subjected is such that its resources are not sufficiently appreciated in London, and that the market there will be more satisfied with authority being taken for a small loan.

In my opinion no person who intelligently considers the question can doubt that New Zealand ought to command the very highest price procurable for colonial securities. The colony owes no regard to sentimental objections on the part of persons whose views are based on insufficient information. But it must be