only, it must not be forgotten, is within our reach, and, after all, what we may attempt is circumscribed within narrow limits. I have propounded in other places a financial policy of self-reliance, and shown the necessity for weaning this colony from a servile dependence on foreign dealers in money. I do not think it would be wise, even were it feasible, to attempt to raise another loan in the English money-market at the present time. Our securities are as high as those of any Australian Colony; and this standard has been reached probably because we have boldly announced the policy of not offering our friends any more paper for a period: we propose therefore to keep faith with this announcement and to refrain from placing any loan on the English market.

Borrowing within the colony.

The same objection, however, that applies to foreign loans does not apply to borrowing within the colony, and I believe it possible to place a moderate loan at a reasonable rate of interest, extending over some time, without any difficulty. It may be said that the securities would find their way to England, or that the absorption of so much money would tend to make it dear in the colony. These objections are not very formidable. Money will flow to where desirable investments are to be found, and if the industries of a country are in a prosperous condition they will not be neglected for the want of means for their further development.

£200,000 to be transferred from surplus revenue.

I have assumed that the people of the colony have not come to a determination that all public works shall cease from this time forth, or that stagnation shall be the order of the day, or that Parliament shall take no further thought of the demands of the colonising spirit. If my interpretation of colonial patriotism and aspirations is correct, we must continue to open up land for settlement by means of money spent on roads and bridges; we must still continue, slowly it may be, to take our railways forward to those points where they will serve the purpose of tapping districts of high producing capacity. The Government, after much careful deliberation, believe this to be the mind of the country at the present time; and the only question that remains, therefore, is,—How are the ways and means to be provided? With equal deliberation the Government have also come to the conclusion that a loan can be avoided by devoting sufficient out of the surplus revenue of the Consolidated Fund for the year to carry on public works at a rate that will satisfy the march of progress. The sum of £200,000 will accordingly be transferred from the surplus revenue to the Public Works Fund in convenient amounts from time to time within the year.

Self-reliance policy.

Of course this limit means a reduced rate of expenditure, and it will impose great care, moderation, and self-denial on honourable members. But by way of compensation, if this be needed, it also means that for the first time we have determined on a policy of true Self-reliance—the only policy, I firmly believe, to make this a great country. Whether the policy thus inaugurated can be continued will depend on circumstances which may be beyond the control of Governments or Parliaments, but we confidently ask for it that sympathy and support which it has a right to claim from every man who wishes well to New Zealand.

THE SURPLUS APPROPRIATED.

Surplus appropriated.

The practice of the Government has been to devote out of ordinary revenue sufficient to cover the anticipated deficiency in the Land Fund, and I shall have to transfer for this purpose about £36,000 out of the surplus of the year. To give effect to our policy of carrying on public works out of revenue instead of borrowing, £200,000, as I have indicated, will be transferred from the Consolidated Fund to the Public Works Fund. Deducting this £236,000 to be transferred from the anticipated surplus of £330,000, we have the sum of £94,000 left to provide for Supplementary Estimates and contingencies, which will be ample to meet all probable charges over and above the votes on the ordinary Estimates.

THE TARIFF.

Alteration of tariff postponed.

The Government had at one time hoped to be able to deal with the anomalies of the tariff in the present session; but in the presence of the great mass of details which had to be worked out, the number of important measures of policy which have to be dealt with, and the urgency of a state of transition