

potential advantages by increasing the tourist traffic, by the settlement of the people on the land, and by bringing the settlers in the far north and those in the south closer together for mutual profit and good. This work is national in character, and necessarily in respect to railway-construction should take first place.

Railways in a young country should be run for the common good and to give encouragement to producers, small as well as large. The true principle to be observed is to carry your produce at the lowest possible rates, so as to give the producers an opportunity of competing with the markets of the world; and to provide cheap fares and freights to convenient markets, so as to obtain revenue from widely distributed areas of settlement. This year, from the circumstances narrated, material reductions in railway freights could not be granted. Next year, and with abnormal expenditure eliminated, we hope to grant such concessions as will bring down the net earnings on our railways to 3 per cent.

Some honourable members may have misgivings respecting the large amount asked for defence, but the money spent with this object is only the payment of a premium on an insurance. To preserve peace it is wise to be ever prepared for war; and it is also a duty we owe to the Mother-country and the Empire, as well as to the people of New Zealand, that our able-bodied men should be trained to arms, that our sons should be drilled at school, so as to become efficient members of cadet corps, and ultimately Volunteers, and, when required, as in the case of our sons in South Africa, to prove themselves valiant soldiers of the King.

I have now detained honourable members a considerable time, and let me say, in conclusion, that I am sensible of their great and continued confidence. I hope that, although there may be differences of opinion respecting the Budget now submitted, at all events, they will do me the credit of believing that the conclusions have not been arrived at hastily, that the position has been accurately gauged, and that time will prove the finances of this colony to be sound and secure. I advise, and that in good faith, that at the present time the good steamer "Finance" should be steadied, and that "Slow" and not "Full speed ahead" should be the order on the dial. Reasonable care will insure the good ship riding buoyantly and safely in calm and placid waters.

The information upon which the present position has been gauged will be placed at the command of honourable members, and I trust that they, with myself, will conscientiously and honestly arrive at the conclusion that our fair colony is prosperous, that there is a bright future before its people, that progress is assured, and that, as at present, so in the future, this colony will hold a foremost position as a British dependency.

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