

remembered that pleasing the market means obtaining a higher price for our loans, and this gives to its opinions great authority. I have to announce that the Government will ask for a loan of a million and a half to be devoted exclusively to railway purposes. They propose that the North Island Trunk Railway Loan shall be made inalienable from the object for which it was intended. When and as it is negotiated there will be restored to the Public Works Fund the amounts previously spent on that line from other loans. There will then remain the balance in that Fund supplemented by the repayments I have just referred to. Taking the amount from the 31st March last, it will leave over £800,000 to be voted as the House pleases on other purposes than railways, such as buildings, purchase of Native lands, roads and other works on goldfields, roading, &c. We look to it yielding at least two years' provision, as also that the railway loan will do the same. Indeed, some of the items of that loan will not be expended in two years. Railway construction will thus be vigorously carried out by the Government, whilst it will also be proceeding on the part of the Midland Railway Company.

Before giving to the Committee a list of the objects of the proposed new loan, I will venture some remarks on the subject of railways generally. The Government are anxious, as they stated from the first moment they came into office, to see the North Island Trunk line completed as rapidly as possible. They find that this, with any reasonable regard to economical construction, cannot be attained sooner than in four years. They will spare no exertion to get the railway finished during the year 1890; and they think an event so momentous in the history of the colony as the completion of the line between Wellington and Auckland should, as I have already mentioned, be celebrated by an international and intercolonial exhibition. As regards other railways, they propose to proceed with moderate speed with the extension of the lines to the north of Auckland. They propose also to push on the lines to connect Auckland with Rotorua, Te Aroha with the Thames, Mauriceville with Woodville, and Woodville with Palmerston. They propose to leave to the syndicate that have the Tauranga-Rotorua line in hand a longer period for carrying out their plans. The success of the Midland Company will render more easy the task of those who have charge of the Tauranga line. The Government regret that they are not able now to propose a line to connect New Plymouth with the trunk railway. They recognize that this line will have to be considered at an early date. To turn to the Middle Island, besides the construction of the Midland line by the company, the Government propose that provision shall be made for connecting Blenheim with Tophouse and Westport with Inangahua. As to these two works, it is not proposed to commence them for at least a year, until in fact the Midland Railway is well started. Seeing with what an extensive system they will connect, there can be no doubt of their proving payable. The Marlborough-Tophouse line will open to Wellington the road to the West Coast in a few hours. The railway between Greymouth and Hokitika will be proceeded with vigorously. That also must prove a paying line. The Otago Central will be continued rapidly and pushed on with energy. The railway from Blenheim to Awatere will be completed. Separate comment need not be made on a number of smaller lines, excepting that it may be said it is estimated they will all prove both useful and remunerative. I must not omit to mention that provision is included for much-needed expenditure on open railways, and that out of it the railway workshops in different parts of the colony will be supplied with appliances and machinery which will enable them to keep the open lines well provided. I shall not enter into details of the other expenditure out of the Public Works Fund beyond mentioning that it is proposed, besides the vote for roading to open up Crown lands, to set apart a sum to be devoted to clearing land and making it ready for the use of the settler. The provision of funds to enable land suitable for settlement to be resumed and cut up we reserve for separate treatment if Parliament give authority for carrying out such a policy. I may, however, say of it that the Government recognize it would materially aid settlement in important parts of the colony. I now read to the Committee a list of the railways to which it is proposed to devote the million and a half loan.