

and is all the more remarkable when considered in conjunction with the very liberal concessions in fares and freights made by the Government during the period in which the lines have been under their control. These reductions are estimated to have amounted to £470,000 up to the 31st March last, truly a stupendous amount to have given away in concessions by way of reductions to the users of the State railways. Train services have been materially improved, and additional facilities afforded for travel, the cost of providing which has amounted to a large sum annually. As the same healthy trade and labour conditions still prevail throughout the colony—the prosperity of which is, I am glad to say, unimpaired—I confidently anticipate that the results of working the railways during the financial year will be satisfactory.

MORTGAGE-TAX.

Honourable members will recollect that my colleague intimated, some time ago, the intention of the Government to reduce the mortgage-tax as soon as practicable. It will generally be conceded that any relief in this direction must tend to bring about an easing of the local interest-market—a result in which the Government, as well as private borrowers, are much interested. There is no good reason why in the course of time the ruling rate for issue of Government loans in the colony should exceed $3\frac{1}{2}$ or even 3 per cent., and every relief given to lenders will tend to bring this about. As a step in this direction I am glad to be able to say that it is our intention to concede a reduction of 25 per cent. off the mortgage-tax, equal to £25,000. I trust that honourable members will recognise that this abatement is a very substantial instalment towards the end which I have just indicated.

RAILWAY REDUCTIONS.

It is with a great deal of pleasure that I intimate that the Government has decided to make further reductions this year upon wool freights and passenger-fares; also in rates for small lots of dairy produce, butter, cheese, eggs, bacon, poultry, and honey; in the minimum of artificial manures from 30 cwt. to 5 cwt.; and in the extension of period of free return of stud horses, cattle, and sheep. These concessions represent in round figures a reduction in rates of at least £40,000 per annum. The chief direction that the passenger reductions will take will be for long-distance fares. It will generally be recognised that those who wish to travel the greater distances upon our railways should have some inducement held out to them to do so; this, as a matter of business, is the correct policy to adopt. It is proposed to keep the universal system of charging that now prevails upon our railways in operation, with this material alteration: that after fifty miles the charge will be reduced, both for first and second class, by $\frac{1}{4}$ d. per mile for distances of fifty-one to a hundred miles, and then a further reduction of $\frac{1}{2}$ d. per mile for all distances of 101 miles and over.

This is a very material reduction. I first contemplated a still further reduction of the long-distance fares, but I feel that as a matter of prudence it is desirable to give a reasonable trial to these amended rates and obtain the practical result of their working before going further—a course which will, I think, commend itself to those who think the matter out impartially.

I am confident that these alterations, which are quite independent of the popular excursion rates (which will still be continued), will be appreciated by the public generally, and I have little doubt that the increased number of people who will avail themselves of train-journeying will make up for the reductions of the fares at a very early date. I do not anticipate, judging by the additional traffic which the former reductions in fares have brought to our railways, that the loss in this respect will be long continued; on the contrary, I expect to see the revenue increased from it rather than otherwise within a reasonable time.

EASY TERMS FOR BUSH SETTLEMENT.

In order to assist settlement it is proposed to introduce a Bill this session providing that in all future disposal of bush lands on settlement conditions the selectors, upon payment of the first half-year's rent, will not be called