

such relief necessary, I should not have hesitated to propose it. I know my not doing so will be a disappointment to my honourable friend the member for Egmont, who, from remarks he made at Hawera, had arrived at the conclusion that I meant to come down with such a proposal, and had fortified himself with a case against it. It would be a pity he should be left, like Don Quixote, to tilt at an imaginary foe, so I will enable him to use the fruits of his industry—his carefully-arrayed arguments. Nor will the discussion be wholly without meaning. For, though I do not intend to make proposals in the direction indicated, it must be a comforting thought to the people of the colony that, far from straining at all methods of relief from taxation, they have left one unused of which they would be fully entitled to take advantage. I contend that the real cost of a work is its cost during construction with interest. So it would stand in the books of a private individual; so it should stand in the books of the Government. The only argument of any force against it is, that it might be considered in London, where we borrow our money, an improper proceeding. But that idea is amply disposed of. A great effort was recently made at Home to alter the Standing Orders of Parliament relating to private Bills, to enable interest during construction to be added to capital cost. The effort was not successful because of Lord Redesdale's opposition—he being a time-honoured authority on private Bills. But numbers of men of high position and weight pronounced in favour of the change, and I am under the impression, though I do not say so positively, that the alteration was approved in the House of Commons. But the alteration was not really of much consequence, because the same result is commonly brought about by arranging with the contractors to pay to the shareholders interest during construction. Such a course does not prevent capital being subscribed. I can remember quite recently the case of an English railway in which the plan was adopted, and in which the capital was written for many times over. But the arguments in favour of a Government adopting the course with works which are a great heritage to posterity are ten times stronger. Our successors will think our doing otherwise quixotic. "Why," they will say, "did our predecessors unnecessarily contract their producing powers by uncalled-for taxation? The annual burden of adding the interest to the cost during construction would have been a mere trifle." Let me take a case. Let me suppose a railway constructed in three years at a cost of a million of money, bearing interest at 4 per cent. The average interest during construction would be on half the amount, and the total would equal for three years £60,000. This, added to the million when the work was completed, would give an annual charge of £42,400, instead of £40,000. What would such an addition matter? but the saving during construction of £20,000 a year would matter greatly to the taxpayers.

LOCAL INDUSTRIES.

I must ask the Committee to allow me to make a diversion to another subject—that of local industries. The honourable member for Hawke's Bay, Captain Russell, the other day made a happy remark, to the effect that this House should consider it possessed more the character of a Board of Works than of an Imperial Parliament. The efforts we make to promote the resources of the colony are likely to bear better fruit than those we devote to testing recondite social or political experiments. It is of paramount importance that full play should be given to the industries suited to the capacity of the colony. It is a mistake to suppose that the Customs are the only vehicle by which resources can be stimulated. We want to produce, not only for ourselves, but for export. When Canada, many years since, was cut out of the American markets by the fiscal policy of the United States, the Imperial Government placed one of Her Majesty's vessels at the command of Canadian delegates, that they might search for other markets in other countries. A few weeks since my old chief and friend, Sir William Fox, just as he was embarking from Queensland for England, wrote me, in that felicitous language which comes so naturally to his brilliant pen, that he was convinced that New Zealand should make a great effort to seek out markets for its produce in the islands of the South