B.—1.

I believe with him that a great export trade is one Seas and in India. of the objects we should keep in view. Let us see some of the obvious products we have to send away. The frozen-meat industry is in its very infancy, and, though now we only send it to England, do we not know that, to India and to the islands teeming with population in the Indian Ocean and Arafura Sea, New Zealand mutton would be an infinite luxury? But King Sheep does not stop at providing food. Since I have been in New Zealand I have been struck with the singular beauty of the woollen fabrics which are being made in the colony, and at prices which, I am assured, would enable those goods to be profitably exported. New Zealand should aspire to sending away wool in only its manufactured state, in the shape of fabrics. Do not tell me the price of labour forbids it. Would America be what it is if the high price of labour had not stimulated the intellect of the people to discover labour-saving machinery? I met an eminent engineer a short while back who told me he could do work cheaper on the Pacific Slope, with wages at 10s. a day, than in India, with wages at about the same price Besides, the high price of labour brings to us the feasibility of one of the greatest elements of human progress—co-operation. Co-operative woollen factories open out a great prospect of enormous work here. The labourer who adds to comparatively small wages a share in the profits will give good service. There are other obvious industries that will come to the front: semi-tropical growths, such as fruit, silk, tobacco, and other allied products, must take firm and profitable root in this island. In the fisheries of the colony great wealth remains to be gathered. I do not refer to mineral resources, for these we propose to make the subject of the special attention of a Minister. But we also propose that other industries should receive the closest attention. A Government at little expense may do much in the way of lending a prestige to its country's products. To give us a knowledge of what producers and manufacturers can do, and the extent of the improvements they make, we propose that an Industrial Exhibition shall be held every one or two years, and that two gold medals, besides others of less value, shall be given to those who do most to develop the industries of the country by combining excellence with economy. We propose that the first Exhibition shall be held at Wellington next year, when Parliament is sitting, and that it shall be followed by exhibitions in other large centres, alternatively in each island.

But there is an industry from which I believe great results will spring, and that may be assisted indirectly by the Customs: I allude to sugar from beet and possibly from sorghum. The production of beet-sugar is now so perfected that it is made economically all over Europe, even without artificial restrictions. Civilization conquers in the end. The products of cultured labour will excel those of the savage and the slave. But this manufacture wants a stimulus, by assuring it some advantage in the shape of freedom from excise duties for a term of years. The assurance is not much to give. None of the colonies favours heavy excise duties; few have any at all worthy of mention. The wine in Victoria and New South Wales, and sugar in Queensland, are notable examples. Sugar has done as much for Queensland as its vast sheep and cattle lands. We propose to pass an Act declaring that sugar produced in the colony shall be exempt from excise duty for a term of years, and that the present import duty shall not be reduced. It may also be necessary to give a bonus for the first few hundred tons made in the colony.

PROPOSALS FOR THE YEAR.

Let me now gather up the thread of my remarks. We have seen that if we make no change, we have a deficiency of £52,652, but if we are content not to reduce our debt this year we may recover an expenditure of £244,000, leaving us a surplus of £191,348. But that there is an understanding not to press the question this session, I should recommend a rate (not a large one) to meet the cost of charitable relief and hospitals, together with a few additions to the stamp duties, and the total abolition of the property-tax, with its crushing effects upon the progress of the colony. As it is, we propose to reduce the property-tax by one-half, namely, to three-eighths of a penny. Eliminating the balances of last year, the reduction of one-half will amount to £131,000. When we deduct this