

difficulties continue to be disturbed and irritated by what can and ought to be avoided, the uncertainty from year to year—I might say for a portion of the year, from month to month—as to what our tariff is to be. And no honourable member I am sure will doubt that damage to trade means loss to the whole community. The Government during the short time at their disposal have had this matter under their careful consideration, and have come to the conclusion that the question should not be dealt with during the present session because it is impossible to deal with it completely. The Government are strongly of opinion that it should not be touched until it can be so dealt with as not to need further serious revision for a considerable time to come. We have within the past two years had two serious but unsuccessful attempts largely to alter the tariff, resulting in great derangement of trade with all the loss which that brings, and without the smallest compensating gain. And the causes which led the House emphatically to reject those attempts still exist, and one, at all events, the general commercial depression, may fairly be considered, at least in its present severity, abnormal and temporary. Moreover we cannot at present look so far forward in our finance as now prudently to fix what we shall require from the Customs even for the near future. For on the one hand the changes the Government propose, and such further economies as they hope to make, will correspondingly lessen the need for revenue; on the other hand they recognise that it will be necessary to charge against revenue many works which are now charged against loan, such as public buildings, school buildings, and telegraph extension. So that, with these uncertain elements at work, and looking at the fact that the time at our disposal is practically very short, and that we have work now before us which, if satisfactorily done, will certainly mark this as an epoch in our history, it seems to the Government clearly right that no attempt should be made to revise the tariff this session.

PROPOSALS TO EQUALISE REVENUE AND EXPENDITURE.

I have now, Mr. Hamlin, to answer a very important question—a question in which this Committee and the country are at present most deeply interested:—How, if possible without further taxation, are the revenue and expenditure to be balanced? I have already shown that the excess of expenditure during the current year over the receipts of the Consolidated Fund, including the Land Fund, will probably amount to £389,305, on the supposition that the expenditure continues as at present, and that no additional revenue is obtained by taxation.

It must be evident to any one acquainted with the condition of the colony that something more is now needed to restore confidence than mere trivial economies. Our chief difficulties have undoubtedly arisen in a great measure from a too lavish expenditure, more especially of borrowed money. That must be stopped; and our first duty therefore is to apply the pruning-knife with an unsparing hand. But that is only our first, not our only duty; there is another not less important. We must indeed take all possible means to prevent waste both of our ordinary revenue and of money borrowed for public works. But we must also promote the settlement and occupation of the lands of the colony by rendering them attractive to persons willing and able to cultivate them and to develop their many and varied resources with their own skill and capital; and we must also, so far as practicable, encourage all our other industries by all reasonable means in our power; that is to say, we must encourage such industries and by such means as will in our judgment, upon a general and careful review of a difficult and complicated subject, really, and in the long run, increase the wealth and prosperity of the colony. In these ways we shall in due course raise a larger revenue without increase of taxation, or conversely, the same revenue with less taxation. The results no doubt concern the future, but a future not, I trust, by any means far distant.

Expenditure too
lavish.

There is no surer way of lifting the country out of its present difficulties than by the introduction of considerable numbers of persons possessed of sufficient means and knowledge to cultivate the land profitably; not only as ordinary farmers, but as fruit-growers, and growers of plants suitable for manufacture, or to

Immigration.