

the Service to accept the responsibility of advising the Ministry, and it infuses the principle of unity by placing the Service under the charge directly of a particular Minister, whose special duty it will be to promote its true interests, which cannot be considered apart from the interests of the country. We believe great reductions can still be made in the cost of the Service, but they ought to be made in the way I have mentioned—gradually and with system. It is hardly necessary to add that the welfare of the country demands a highly-organized, intelligent, and patriotic Civil Service. To attain this end it is the duty of all parties to combine.

#### THE GOVERNMENT INSURANCE DEPARTMENT.

£4,000 to £5,000  
on annual ex-  
penditure saved.

During the recess I have made inquiry into the management of the Government Insurance Department; and I have come to the conclusion that the institution is conducted with skill and success. Economies have been effected during the year which represent a total of between £4,000 and £5,000 on the annual expenditure, and the work of judicious retrenchment is still proceeding. During the last few months an agreement has been entered into between the different life-insurance companies doing business in the colony not to interfere with each other's operations, and I anticipate that, in consequence, a higher standard will be observed in the carrying-on of that particular class of insurance work known as canvassing. The quinquennial accounts have been completed and submitted to the actuaries in London, and the policyholders may expect to be in possession at no distant date of the most gratifying and convincing assurance of the vitality of the institution. In order to cover any unsound investments, a reserve of £25,000 has been set aside. This amount is not included in the accounts forming the basis of the actuarial investigation. And here I may observe that there seems no reason to conceal the fact that during the period when the Government Insurance business was under the management of the Board some bad investments were made, from which losses are likely to accrue. The probable extent of these losses, however, is amply covered by the reserve mentioned, and the institution remains sound and prosperous.

#### THE PUBLIC TRUST OFFICE.

Royal Commis-  
sion will suggest  
reforms.

The Royal Commission appointed to inquire into the working of the Public Trust Department has made a thorough investigation, and many reforms in its administration will no doubt be suggested. It would be nothing short of a national calamity were public confidence destroyed in the institution; but publicity, even to the extent of exposing grave defects, is rather calculated to reassure the timid than to permanently weaken public faith. There is no reason why the Public Trust Office should not be as well administered as, for instance, the Post Office. It is purely a matter of organizing power and capacity, without which qualities neither laws nor regulations nor checks will achieve solid results. It is probably a mistake to have an officer at the head who in some indefinite way is responsible only to Parliament, which virtually means no responsibility at all; for the saying here is peculiarly applicable, that what is everybody's business is nobody's business—whereas the responsibility of a Minister is direct and immediate. Whatever is done, the Public Trust Office must be placed in a position to regain, if it has lost, and to maintain, when won, the confidence of the people of New Zealand.

#### SETTLEMENT ON THE LAND.

*Bonâ fide* settler  
to be considered  
before speculator  
and monopolist.

My colleague the Minister of Lands will ask the Legislature to consolidate and amend the law relating to the disposal of the Crown lands. The limited quantity of the public estate still available for settlement suggests the necessity of providing that in future the *bonâ fide* settler shall be considered before the speculator and the monopolist. That the country may know the actual state of affairs, I submit an estimate by the Surveyor-General of the agricultural land still available in the hands of the Crown. "The remainder," he says, "of the agricultural land in New Zealand is so interspersed with country fit only for grazing stock that it seems most fair to class both as one, for the low grazing bush lands of the North Island especially can be most profitably occupied in con-