

bank. It would not be an easily-managed concern; it would be open to some, if not many, abuses; it would be calculated to offer opportunities for things to be done which should not be done. But a financial institution guaranteed by the State, supervised by the State, and controlled by the State must in the very nature of things be a bulwark against extraordinary financial fluctuations calculated to impede the industrial and general progress of the colony. We have now all the machinery necessary to enable the Treasury to control the note-issue, should this ever be deemed desirable. We have now the necessary channel through which much of the important business that will in the future be carried on by the colony may be more effectually and expeditiously performed.

State guarantee to Bank of New Zealand will not affect other colonial banks.

The Government are of opinion that neither of the other colonial banks will, as the result of the legislation giving the Bank of New Zealand a State guarantee, be prejudicially affected; and the Government are carefully watching matters, as they do not intend, nor have they any desire, to injure them.

RAILWAY CONTROL.

Change in railway control.

In accordance with the generally-expressed wish of the country, a change in the railway control has, as honourable members are aware, been effected. Two of the former Commissioners have been replaced by two new ones. My colleague the Minister for Public Works will, at a later date, place fully before the House the opinions of the Government as to the future management of the Working Railways.

THE WORK OF SETTLEMENT.

Settlement must be carried on.

The great work of settlement in this colony must be carried on vigorously. No Government would be doing its duty were it to display any apathy in prosecuting in every legitimate direction the settlement of the country. It has often been said, and I shall be excused for saying it again, that from the land the wealth of this colony must come. Hence, it is to the land that we must look for the creation of further wealth, and for the provision of additional employment, and homes for the numbers of people who are yearly being added to our population. We are constantly brought face to face with the problem of providing land upon which to settle our yeomen.

£250,000 required for purchase of private lands.

In the Middle Island the best of the land is, as you are aware, in the hands of private owners. The resumption of a portion of this land by the State is a necessity, and, to enable land to be acquired at fair value, the House will be asked to assent to an amount of £250,000 being provided for the purchase of private lands, and out of that sum the necessary expenses for roading, surveying, subdividing, and promoting settlement will be paid.

£250,000 required for surveys and roads.

For the important work of making roads and constructing bridges to open up lands for settlement, and for subdividing and clearing them, a further sum of £250,000 will also be asked for.

Enormous demand for land must be met.

The Government feel sure that our fellow-colonists will recognise that, if the great and important work of obtaining and opening lands for settlement is to be gone on with, it is clearly incumbent upon them to meet the enormous demand which is daily being made upon them. The policy proposed in connection with the settlement of the people on the land is, in my opinion, sound. It is marked by a progressive spirit that will, I trust, imbue the people of the colony who are not directly on the land with the hope that a knowledge of such added national wealth should inspire. By "wealth" I mean the establishment on the soil of fresh settlers, who, in maintaining themselves and their families, contribute to the general taxation of the colony, further add to its resources by increasing its exportable products, swell the number of our settlers, and relieve taxation per head throughout the colony. I trust that the proposals outlined above will commend themselves to men of all shades of opinion, and that our common object will be to assist to carry out so important and national a project.

LOCAL GOVERNMENT.

Rates to be levied upon Crown lands.

The Government were very anxious to submit proposals this session to extend the powers of local governing bodies, and to deal with the pressing necessity for reform in the administration of charitable aid. There have been