

riparian rights. During last session a deputation from Auckland waited upon me in respect to this matter; and Count d'Abbans, Consul for France, has frequently called the attention of the Government to this important industry, and has supplied valuable information respecting it. When in Paris recently Mr. Ernest Bosker, the representative of Messrs. E. Wauquier and Sons, of Lille, interviewed me in reference to the subject. To him, as to all others, I have given the reply that the Government could only give such concessions as the existing law provided. The present terms and conditions are not sufficiently favourable, however, to induce private enterprise to embark in the undertaking: we therefore deem it advisable to ask Parliament to review the position. I am not forgetful of the effect the successful introduction of the beet-root sugar industry will have upon the finances, and upon the Island sugar trade and the refinery at Auckland. As regards finance, the collateral advantages of large employment of labour, the increased value of land, retaining the money in the colony, and of reducing the price to our own consumers, will, I hold, compensate for the loss of revenue. As to our trade with the Islands, there is no feeling of reciprocity, and our exports there are decreasing year by year; and as to the refining-works, assimilation would possibly ensue. The many advantages that would probably accrue by adding another and profitable industry to the large number already established, the great help it would be to our settlers, and the opening for increased labour that would be afforded, embolden the Government to submit that the time has arrived for the colony to grant other concessions, such as extending and increasing the bonus, as would insure the satisfactory starting of this important industry. I intend at an early date to introduce a measure extending the present law by granting, with proper safeguards, to any person or corporation producing sugar from beet an annual bonus of £5,000 on not less than 1,000 tons produced yearly for four years, and also continuing for a further period of ten years the provision for differential duty in favour of the manufacturers. The Bill will also provide for loans not exceeding £20,000 to any person or corporation, at the rate of £1 for £1 on the moneys expended on land, buildings, and plant for its manufacture.

#### DAIRYING AND FROZEN-MEAT INDUSTRY.

The grading and storage of frozen meat, dairy and other products have proved most beneficial, and further extension in this and other directions would be for the good of all concerned. In some parts of the colony settlers are unable, through lack of means, to erect creameries and cheese- and butter-factories. We therefore propose that power be given to make advances to them by way of loan for this purpose, sufficient security being taken to cover all ordinary risks. The amount to be advanced shall not exceed in any one year £10,000, a statement showing the advances so made to be laid before Parliament within fourteen days of the opening of the session. Further, I have been informed that there is every reason to believe that the Thames Dock Company are prepared to expend a sum of £40,000 in the erection of cool-stores, on condition that the shipping companies, the distributors, and the Government find a sum sufficient to cover interest and other charges, estimated to amount to £8,000 a year. The colony's share would be £2,666, which the Government will ask authority to expend. It is unnecessary for me to point out the advantages that would accrue from placing produce, such as fruit, butter, cheese, and frozen meat, in cool-stores immediately upon its arrival in London, and keeping it there until required for distribution.

#### COMMERCE AND TRADE WITH THE ISLANDS.

The action of the United States in proposing to annex the Hawaiian Islands should not pass unnoticed, and in calling attention thereto I do so in the most friendly spirit. An annexation treaty has been signed between the American Secretary of State and the Hawaiian Government. Not long ago it was announced in the Press that the United States wanted to withdraw from the triplicate control of Samoa, while previously it had been reported that they had expressed their indifference as to whether Hawaii should fall into the hands of any other