

Since the establishment of the office a sum of £96,000, representing the 1-per-cent. sinking fund, has been paid to the Public Trustee to provide for the redemption of loans forty-three years hence. There has also been paid during the past year to the Public Trustee a sum of £23,000 to credit of an Assurance Fund (the balance of which is now £43,000) to provide against losses, of which none have yet been charged to the fund.

The cost of raising loans has been written off to the extent of £30,000 out of profits. This amount, it will be found, is a fair proportion of the total sum charged under the heading "Charges, Expenses of raising Loans to 31st March last," chargeable to the seven years the office has been in existence, bearing in mind that as the mortgage-advances approach maturity the periodical instalments payable contain more principal and less interest.

Some honourable members are inclined to think the Department has erred on the side of caution, but I agree with my colleague the Colonial Treasurer in considering that the Board is bound to exercise the utmost prudence and care in the investment of its funds.

That the operations of the office have been successful even beyond expectation cannot be gainsaid. To this success the era of prosperity which has prevailed since the inauguration of the scheme has no doubt largely contributed, but prudent administration is also entitled to a fair meed of commendation.

VALUATION OF LAND DEPARTMENT.

The operations of this Department, round which a very fierce light generally shines, have been continued during the year, and the time is now within measurable distance when the values all over the colony will have been dealt with. Reference to a *Gazette* issued prior to the 31st March will show the districts which were revised last year. During the coming year it is intended to devote attention chiefly to the large cities and towns.

The amounts chargeable to local authorities under the regulations issued last year have been somewhat reduced, and a better understanding now prevails on the subject of the cost and of the valuations generally. I am aware that complete accord does not yet prevail, but it would be nothing short of miraculous should such a condition of affairs exist when the nature of the operations of the Department comes to be considered. The Department is, however, under the guidance of my honourable colleague, gradually winning its way into popular favour, so far as that is possible.

THE NATIVES AND THE MAORI COUNCILS ACT.

I am glad to announce that a brighter page is unfolding for the Native race of this country. The last census shows that not only has their decadence been arrested, but that improvement has set in, and in many districts an increase in their numbers is observable. Their own capacity for advancement, in which lies their future hope, has been fully demonstrated in the excellent and effective manner in which they have administered and carried out the principles of local self-government conceded to them. Under "The Maori Councils Act, 1901," their social condition is improving, their villages and homes are brought under inspection, and regulations are made for insisting on a higher and purer standard of housing, of food and water-supply, of sanitation, and other health considerations, all of which are being done by themselves. I have every hope, strengthened by these facts, that the extinction of the race, which has so often been predicted, is not to be, but that the Native race will rise to high development. The different Native centres of the colony, especially Upper Wanganui, the East Coast, Bay of Plenty, Waikato, and Te Kuiti, have been visited during the recess by the Native Minister. Large meetings were held to discuss the objects and principles of the Maori Lands Administration Act, which constitutes a new departure in the administration of the Native lands more in keeping with the genius of the Native race and the requirements of the times. Great care and much time were necessary to instil into the Native mind a full understanding of the public policy involved, the new