

last. The existing legislation on the subject seems to be defective in one respect, inasmuch as it does not provide for the railway vesting in the Crown on the maturity of the notice of intention to purchase. It seems to contemplate that the arbitration proceedings to determine the price to be paid for the line shall first take place, and, as these may occupy some time (and it would scarcely be fair to the company to hurry them, even if such a course were legally practicable), the date on which the Government would obtain possession of the railway, without an amendment of the Act, is very indefinite. In view of this, it is proposed to introduce a Bill to provide for the vesting of the line in the Crown on the expiry of the notice of intention to purchase—namely, on 7th December next. What is fair and just to the company will be done, as we have no desire to deprive it of what is its due. If the Bill passes it will have the effect of placing the whole railway between Auckland and Wellington in the possession of the Government in time for the commencement of the fast through mail service, and will at the same time leave the company entirely unhampered as to when it will take the necessary steps to bring the question of the assessment of the price to be paid for its line before the arbitration tribunal provided for in the Act.

BRITISH NAVY.

The value of the British Navy for the preservation of the Empire to which we belong is generally recognised; and to show our goodwill, as well as our recognition of the immense services to this country that the British Navy affords, the Government some months ago advised the Secretary of State for the Colonies, through His Excellency the Governor, that we would increase our contribution to £100,000 per annum, at the same time advising the Home authorities that we recognised the importance of the ships of war being under the sole control of the Admiralty, either in times of war or peace, and that our contribution would be given unconditionally, so that should any necessity arise for these ships to be directed by the Admiralty elsewhere, that this should be done without any assumed impression on the part of the authorities that it would be regarded as in any way distasteful to the law and people of New Zealand.

ADVANCES TO SETTLERS.

The active land-settlement that has been going on throughout the country necessarily calls for a large amount of money by those acquiring sections. A number of the large holders have been placing the excess of their land upon the market, and to this fact I attribute to some extent the considerable demand that is being made throughout the country for financial assistance from that highly popular branch of the Public Service, the Advances to Settlers Department. It has worked so satisfactorily up to now—and the time has long since passed when any doubt can exist in the minds of the most sceptical as to its stability—that I feel justified in asking the House to increase the limits of borrowing for that Department from five millions to six millions. It may not be found necessary to utilise all, or indeed any portion, of the extra million, but I am sure honourable members will agree with me that it is desirable that many of our enterprising settlers who may look to this Department for advances should not be denied on account of the maximum amount now fixed. It will be gratifying to honourable members to know that the repayments made to the Department now total the large amount annually of £800,000, and the time is not far distant when the repayments will reach a million per year. I look forward with confidence to being able, without fresh extensions beyond the million now asked, to carry on the whole of the fresh requirements from this branch of the service out of the annual repayments. In any case, I am of the opinion that six millions should be the final limit for obtaining funds to meet the purposes of this Department. It seems scarcely fair that the total borrowings of the Advances to Settlers Department should be included as a part of the public debt, though strictly speaking it is so; but, as the moneys are used for the purpose of advancing upon landed security it is a question whether we should not consider