

It is proposed to continue that portion of the war legislation enabling the Government to control and regulate the note-issue of the banks, which, although larger than it has been at any time in the history of the Dominion, is not excessive, and is amply secured by an equally large metallic reserve, as well as readily realizable securities of unquestionable value. I would here suggest that the increase in our paper currency is not wholly due to causes arising from the war, and the fact that a largely increased volume of trade and business has demanded an ampler circulating medium should be taken into consideration. The advantages of a convertible currency are fully recognized by the Government, and provision will be made for a gradual return to the free encashment of notes as soon as practicable.

NEW ZEALAND CONSOLIDATED INSCRIBED STOCK, 1877.

The whole of this stock is domiciled in London, where the registers are kept by the Bank of England, and all transactions are recorded by that institution. Under the existing law there is no provision for transferring holdings to a New Zealand register, and in consequence some hardship is imposed upon holders of this stock who are now domiciled in New Zealand. With a view to removing this disability you will be asked to provide statutory authority for opening a register in New Zealand, so that transfers of holdings may be effected as required and interest and capital charges thereon paid here on due dates.

WESTPORT HARBOUR BOARD.

The financial position of the Westport Harbour Board has occasioned the Government considerable anxiety. In addition to the advance of £30,495 provided for in the Appropriation Act of last session, it has been found necessary to guarantee the Board's overdraft to the extent of £15,000.

In 1920 the revenue of the Board had fallen to £39,000, whereas the annual charges for interest and sinking fund amounted to £44,000. This fall in revenue is due mainly to the large decrease in the output of coal, which in 1920 had dropped to 464,294 tons, as compared with 739,628 tons in 1914, a difference of 275,334 tons.

The Board has reduced its staff and expenses to such an extent that the harbour is not being adequately maintained, and further assistance is called for.

Some years ago the Government, in view of the great importance of the Westport Harbour, decided to take it over as a national undertaking, but in deference to the strong wish of the people of the district the proposal was dropped for the time being. Unfortunately, matters have gone from bad to worse, and the situation at present is such that the original intention must be given effect to, and legislation with that object will be submitted for your consideration during the present session.

CUSTOMS TARIFF REVISION.

Proposals regarding the revision of the Customs tariff will be deferred until next session. During the recess the necessary data will be prepared by officers of the Department to enable the House to give this most important question that full consideration for which the opportunity is not afforded during the first session of a new Parliament. This is in accordance with past practice.

SHIPPING AND MAIL SERVICES.

An accelerated shipping and mail service between New Zealand and Great Britain is essential. Now that the Panama Canal is available, a thirty-days service is not too much to expect, and the Government is endeavouring to bring this about, also to secure improved transport conditions generally. I may add that particular attention is being given to the development and encouragement of New Zealand trade with the islands of the Pacific.