

payment selectors. A Bill to give effect to these proposals will be introduced shortly.

PURCHASE OF NATIVE LAND.

If the settlement of the North Island is to be pushed forward, provision must be made for considerable sums from time to time as opportunity offers for acquiring Native lands. Authority has been granted by Parliament to temporarily apply a portion of the loan for the North Island Main Trunk Railway to the purchase of Native land within the prescribed railway area, and about 759,431 acres of land have already been acquired, and much larger areas are now under negotiation. The Government propose to ask for £125,000 more this year for this purpose from the same source; and, as honourable members know, it is proposed by the sale of the land so purchased to recoup to the loan the amount lent, and a separate account is kept of all sales made within the prescribed area. But there is a large quantity of Native land outside the railway area which, in the public interests, ought to be acquired by the Crown, and settled. Hitherto funds have been provided for this purpose by ordinary loan, but no attempt has been made by setting aside a portion of the proceeds to create a fund for further purchases. We propose to ask the House to create such a fund by setting apart a block of, say, 250,000 acres in the North Island, and by paying in future into a separate account a certain percentage of the proceeds of all such lands sold for cash or deferred payment, and also of the rent of such lands let on perpetual lease. This land has, in part, been handed over to the Crown Lands Department, and the balance of it has only lately been acquired. In the meantime, pending the disposal of the land set apart, it will be necessary, for three or four years certainly, to have cash available at the rate of about £30,000 a year for buying Native land. This money will, of course, have to be raised. The Government will ask Parliament to authorise the Treasurer to advance it from the fund authorised to be raised under the authority given by the Government Loans to Local Bodies Act, the limit set by that Act being sufficient to cover all our requirements. Some honourable members will no doubt think it would be better to ask for separate authority to raise this money; but the Government will not ask for more borrowing-power than they already possess, which they do not think it would be wise or prudent to extend. There is, as no doubt the Committee is aware, power given to the Government under the Loans to Local Bodies Act to raise money either in London or the colonies. Up to the present time no debentures under this Act have been issued to the public, it having been found more convenient to invest our own funds in such debentures as have been issued; and, although they bear nominally 5 per cent. interest, the money does not really cost us more than slightly over 4 per cent. We should also have had some difficulty in finding a better investment for our funds. Should, however, the proposal I now submit be acceptable to Parliament, and as our Public Works Fund becomes exhausted, it may be advisable to make an issue to the public, and we think this can be done with prudence and success in the colony. I think that we shall find no difficulty in disposing of locally such an amount as may be required from time to time at 4 per cent. at par, if Parliament will, as we propose, allow an issue not subject to the property-tax. And if we can issue it at that price it will really be as profitable a transaction for the colony as an ordinary short-dated loan raised in London.

Purchase of Native Land.
Proposal to ask for £125,000 out of loan for the North Island Main Trunk Railway for further purchases.

As to creation of a fund for other purchases in North Island.

Proposal to advance £30,000 per annum by borrowing under the Government Loans to Local Bodies Act.

THE STATE AND PROSPECTS OF THE COLONY.

I would now ask the attention of the Committee for a short time while I place before it some important facts in justification of the assertion which I made in the beginning of this Statement that the colony was steadily progressing, and that our production in all branches of industry was rapidly increasing, and in some cases in an astonishing degree. I entered into this question somewhat fully in 1883, and made a shorter reference to it last year. I propose to-night to go over a slightly shorter period than I examined in 1883,

The State and Prospects of the Colony.