

the breadwinners can make sure of those dependent upon them being provided for in the event of sickness, accident, or death, much will be done to solve the present problem that creates a spirit of unrest which is largely due to the difficulty of reasonable provision being made for large numbers of our people, who see little brightness before them owing to the difficulty of bringing their families up respectably and making both ends meet. I am confident a National Superannuation Fund can be carried out successfully, with great advantage to our people, and at the same time with safety to the country. Under my proposals I should expect before many years pass by that a large decrease will be made in the amount we pay to the aged under the Old-age Pensions Act. This system will be administered by the Old-age Pensions Department making use of our valuable Postal Department, and paying it fairly for the work in this respect it performs. I will fully explain the proposals when submitting the Bill to the House.

LOCAL BODIES SUPERANNUATION.

A measure will be submitted for the purpose of enabling any local body to inaugurate a superannuation fund for its employees, each local body being allowed to arrange the details to suit its own circumstances, subject to the scheme being approved by the Minister of Finance. The funds will be administered by the local bodies themselves, but will be subject to periodical Government valuation, and each local body will be required to supplement the contributions of its employees by subsidising the fund from time to time as may be found necessary after actuarial investigation.

SPECIAL LAND-SETTLEMENT.

The large areas of lands that are now being put on the market by private holders calls for consideration from the standpoint of helping desirable settlers to acquire for settlement selections of the same areas as is provided for in the Land for Settlements Act upon the easiest possible financial conditions. The work of the Land for Settlements Act involves an expenditure of about half a million sterling per annum, which adds directly to our public debt, is meeting a great want, and should not in any way be curtailed. After careful consideration I am of the opinion that a departure in another direction should be made and a system of special settlement association established, so as to enable that great desideratum, the closer settlement of the land, to be carried out still more expeditiously. I therefore propose to submit proposals to the House this session making financial provision for special land settlement upon the following lines:—

Upon application by any number, say ten or more, of intending *bona fide* settlers who have obtained from a private landowner an offer to sell the estate at a price fixed by him, the Land Purchase Board shall inspect the land to ascertain its suitability for settlement and the fairness of the price, and if the Board is satisfied on both points it will report to the Minister of Finance. The proposed settler will then submit a scheme of settlement, which must be consistent with the limitations and other conditions of the Land for Settlements Act. If the scheme is approved by the Land Purchase Board, the Advances to Settlers Department, through the Minister of Finance, will obtain the money required to purchase the estate at the lowest possible rate of interest, giving to the lender as security for such money a mortgage over the estate in the name of the settlers, who will also bind themselves as ordinary mortgagors by their own covenants, in addition to the security, and the Government will guarantee the repayment of capital and of interest to the lender.

I propose to provide for a redemption fund by which the settlers would repay both principal and interest in 32½ years. Honourable members will see that by adopting this course, the country's guarantee for capital and interest would be made absolutely safe, inasmuch as the reduction by way of sinking fund paid by the settlers themselves would, upon every payment,