

these lands, therefore, the State has now, by the means of a recurring valuation upon which each new rent is to be based every thirty-three years, secured to it practically the whole of the increase in unimproved value. My purpose, therefore, in this case was to find some equivalent in the form of freehold tenure which would fairly secure to the State a reasonable share of the unimproved value in these lands. I propose to grant the freehold at the original value, just as in the case of ordinary Crown lands, but with double the recurring charge—that is to say, two-fifths instead of one-fifth of the increase in the unimproved value.

EUROPEAN LANDS ACQUIRED IN FUTURE UNDER THE LAND FOR SETTLEMENTS ACTS.

These will be open for lease as at present, but the fee-simple of the land leased may be acquired upon the recurring-charge system already explained.

REMAINING CROWN LANDS OUTSIDE OF THE ENDOWMENT AREA.

As regards the ordinary Crown lands not falling within the endowment, the present optional system will continue.

FUTURE ACQUISITION AND EUROPEAN SETTLEMENT OF NATIVE LANDS.

The legislation I propose to introduce will empower the State to acquire, compulsorily if necessary, from the Native owners areas of Native land equivalent in value to £500,000 per annum; and, in order that the most convincing earnest should be given to Parliament and to the people of New Zealand that this forward movement will be taken, I propose to ask Parliament to amend the Land for Settlements Act by increasing the present amount authorised for the purchase of lands to £1,000,000 per annum, £500,000 of which is to acquire Native lands each year to the value of the half-million.

The lands when so acquired will be paid for out of the Land for Settlements Account. They will be classified into two classes according to the degree of their improvement and their remoteness from settlement, and of the extent of labour in clearing, draining, or otherwise bringing them into cultivation.

The class "improved lands" will be held and dealt with in the same way as European lands—i.e., renewable lease—with power to purchase the fee-simple upon the recurring charge system.

The class "unimproved lands" will be disposed of by the State under the optional system now applicable to ordinary Crown lands, but the proceeds from either lease or sale will be paid into the Land for Settlements Account.

The present law as to Native townships under existing conditions require amending, and the new land Bill will provide for the purchase by the Government of Native townships, preserving allotments set aside in such townships for the Maoris, and now occupied by them; and these will be disposed of under a freehold tenure on conditions which I will submit in the land Bill.

LIMITATION OF AREAS.

The evil of aggregation still prevails, and drastic measures must be employed to check it. Moreover the law still allows too large an area of Crown land to be taken up by one person, and the proposed legislation will therefore provide a limit of 400 acres in respect of first-class land, and a correspondingly reduced area in respect of second- and third-class land. An effective provision will also be made against evasion by providing that these limitations shall apply to the area to be occupied and not merely to the area owned.

REBATES OF RENT.

The system of rebating 10 per cent. of the rent payable by Crown tenants on prompt payment will be used for the purpose of helping and encouraging settlers who undertake the burden and responsibilities of rearing a family of children. It is recognised that it is one of the first duties of the State to encourage in every possible way this principal duty of citizenship, and I therefore propose that the rebate on prompt payment shall only be made in cases where the settler has four or more children under the age of sixteen years.