

Council, will operate by way of exchange or otherwise as may be necessary. The question of the marriage of Natives, adoptions by them, and the power of testamentary disposition will also receive careful consideration.

Dealing with the alienation and settlement of Native lands, the Government realise the importance of this question to the Dominion, and more particularly to the North Island. Having made the provisions relating to the ascertainment of title effective, the provisions dealing with settlement have been extended to meet present requirements, while safeguarding the interests of the Maori owners. It is proposed to purchase from the Natives as large an area as possible. To avoid the difficulties of the past, the purchases will, as a rule, be negotiated with the owners assembled in meeting duly convened, and the consent of a majority will conclude the purchase, subject in certain cases to the partition of the interests of dissentients. The system to be established it is confidently hoped will enable the Government to protect a proportion of the proceeds of such sales from the extravagance of the Native vendors.

Lands now vested in Maori Land Boards, and those about to be vested in accordance with the recommendations of the Native Land Commission, will be administered practically under the existing system. Ample provision will be made to enable these Boards to open the lands vested in them for settlement, such advances as may be made being secured on the lands and revenue therefrom. The system of incorporating owners of Native lands for the purpose of alienating or farming their lands will be continued and somewhat extended.

For the purposes of alienation all existing restrictions and prohibitions against alienation will be removed. A Native who is sole owner of a defined piece of land may, by application to the Native Appellate Court, convert his land into freehold European land. A Maori is defined as a pure Maori, and includes a half-caste and persons intermediate in blood between pure Maoris and half-castes. Persons intermediate in blood between half-castes and Europeans are regarded for all purposes as Europeans. Where land is owned by not more than ten owners they may sell, lease, or mortgage, but in the last-named case only to a State lending Department or to a person authorised by the Governor-in-Council. Where there are more than ten owners direct alienation will be permitted by a Board if satisfied that the signatures can be obtained with little expense. In other cases alienation is to be effected by resolution of the owners assembled in meeting, an adaptation of the old-time runanga system of the Maoris. All alienations will be subject to confirmation by the Boards in the North Island and by the Court in the South Island.

As it is not proposed that the Native Land Bill, if it passed, should come into operation until the end of March next, you will be asked to make provision for the carrying on of purchases and the development of lands vested in the Maori Land Boards up to the end of the financial year.

STATE-GUARANTEE ADVANCES.

The extension of the Advances Department to provide for loans to local bodies and other useful reproductive objects is expected to still further promote the progress and prove of valuable service in the development of the country. The restricted amount of capital available for this purpose under the present legislation has retarded the giving access to new country and improving the positions of those in the country, but under the new scheme funds will be much more plentiful, although the terms may not be quite so advantageous to local bodies. There are enormous undeveloped resources in the Dominion only awaiting sufficient capital to bring into immediate use, and in return producing public and private wealth and income vastly in excess of the outlay of public expenditure. I am therefore sanguine enough to view the future with the highest hopes for the prosperity and success of this country, notwithstanding the numerous pessimistic critics.

The new departure is also extended to the development of mining, which it is anticipated will be carried into effect by the increased assistance and facilities