

of the Dominion's indebtedness; the settlers will have security of tenure on easy terms, and landowners will receive a fair price for the land required for closer settlement. The Government is of opinion that the experiment referred to will be well worth trying, and may lead to a more satisfactory method of breaking up large estates than either of the systems in operation at present. There will also be provision for an amendment of the ballot system, so as to check speculation and give preference to those who have failed in two or more ballots.

The Government is also impressed with the importance of purchasing land, whether European or Native, in those localities where it is intended to construct railways or where they are already in course of construction. In the past railways have in many cases been carried through large areas of unimproved and unoccupied land, and the consequence has been to increase greatly the value of such land, even though the owners had done little or nothing in the way of improvements. This has been the experience on the North Island Main Trunk Railway, and it will undoubtedly be the experience in other similar cases. It behoves the State, therefore, to secure a sufficient area to enable it to properly participate in any increase of values that may arise from public-works expenditure. If this is done it may be possible from the profits of such transactions to return to the Government a very large proportion of the expenditure incurred in opening up the country by railways or even by roads. The sites of the towns of Te Kuiti and Taumarunui, or any of the other towns in the so-called King Country, might have been purchased before the coming of the railway for only a very small proportion of their present values. Such lessons should not be lost sight of, and they will not be lost sight of by the Government now in power, which, without interfering unnecessarily with the enterprise of individuals, intends to see that the rights of the community are provided for and safeguarded.

The Government may not be able to place the whole of its land policy before Parliament during the present session, but it does not intend to depart in the very slightest from the principles it has advocated on this very important subject—namely, settlement, closer settlement, and absolute security of tenure for the settlers.

Parliament will be asked next session to give the Crown tenants holding land under leases in perpetuity the option of purchase. The tenants on settlement lands whose tenure is renewable lease are in a different position to tenants whose tenure is lease in perpetuity, but they will also be given the option of purchase at a price to be fixed by actuarial calculation. The money received in this way will be paid into the Land for Settlement Account and used for the purchase of other land-for-settlement purposes, thus reducing the amount of loan-money which otherwise it would be necessary to raise. It is not intended to interfere in any way with endowment lands.

It has been found that the settlement of Crown and Native lands has been very much retarded owing to the lack of surveyors. The Government has decided to increase the number of surveyors and to pay better salaries, in order to obtain the services of more competent men and to prevent the exodus of such men from New Zealand.

IRRIGATION IN CENTRAL OTAGO.

Along with its scheme of land-settlement, the Government is anxious to make proper provision for irrigation in Central Otago. It recognizes that much of the land in Central Otago is exceedingly fertile, and particularly suitable for fruitgrowing or for the cultivation of such plants as lucerne, always provided that water is available. There is more than a possibility that artesian water may be struck on some of the flats, and tests will be made by boring; but there is sufficient water already available to irrigate the whole of Otago, and that water should be utilized. The Government is of opinion that with proper management the lands of Central Otago will prove a most valuable asset; but water must be provided, tree-planting must be encouraged, and something must be done in the way of regrassing the hill country either with indigenous grass or with other grasses that may be found suitable to the soil and climate. With proper management the soil and climate of Central Otago should prove a very important source of wealth to the Dominion as a whole, and the district one where many prosperous settlers may be located.