

extraordinary demands for money, has not disappeared, still there is every reason to believe that the experience through which New Zealand and other countries are passing is only transient, and that, notwithstanding temporary financial restriction, the Dominion may look forward to another year of continued prosperity and satisfactory remuneration for those engaged in her industries.

The news of the assassination of King George of Greece, the brother of Queen Alexandra, was received in this Dominion with profound regret. The messages of sympathy from the Government and people of New Zealand, which were transmitted by me to the Queen Mother, were duly acknowledged.

I deeply regret that death has removed two much-esteemed members of the General Assembly in the persons of Sir Arthur Robert Guinness, late Speaker of the House of Representatives, and Sir William Jukes Steward, a member of the Legislative Council, and a former Speaker of the House of Representatives.

The arrival of H.M.S. "New Zealand" was appropriately celebrated, and every possible opportunity was afforded the citizens and school-children to visit the ship during her stay in New Zealand waters.

The agricultural and pastoral industries of the Dominion still continue to expand, and the constant demand for small areas of land points to the conclusion that the future of New Zealand is closely bound up with development in the country districts, and that land suitable for settlement, whether Crown land, Native land, or privately owned land, cannot be allowed to remain unproductive, but must be utilized for the benefit of the Dominion as a whole. You will be glad to learn that during the recess the operations under the Land for Settlements Act have been extensive. Returns will be laid before you showing the area of land purchased and subdivided in pursuance of the powers contained in this statute. The subdivision of privately owned estates is also proceeding satisfactorily.

The construction of railways and the making of roads are being vigorously proceeded with, and no effort is being spared to develop the agricultural, pastoral, mining, and other resources of the country.

The legislation passed last session relative to the settlement and occupation of land is working satisfactorily and is enabling a considerable number of settlers who were holders of leases from the Crown to exchange their leases for freehold titles. A measure will be submitted for your consideration extending the principle contained in the legislation of last year to lands held upon lease under the Land for Settlements Acts, and also providing for the more satisfactory settlement of land in mining districts, while at the same time preserving mining rights and privileges.

The leases of a number of runs held from the Crown under pastoral license expired during the past year, and, pending the result of legislation during the present session, were renewed for one year only. You will be asked to amend the law under which these lands are held so as to give better security of tenure and more encouragement for improvement, with the object of increasing the carrying-capacity and productiveness of the large areas of hill country suitable only for sheep-farming.

The rapid progress of settlement in many parts of the Dominion accentuates the urgent necessity for improving the present means of communication by the construction of branch railways. In response to numerous requests from groups of settlers that they should be permitted to construct branch railways themselves, my Advisers propose to introduce legislation which will give effect to this expressed desire and at the same time carefully safeguard the public interest.

During his visit to Great Britain the Hon. the Minister of Defence discussed with representatives of His Majesty's Government matters relating to naval defence in the Pacific. The result of these conferences will be laid before you.

During the recess the Minister of Customs visited Australia, and there entered into negotiations for a reciprocal trade treaty between the Commonwealth of Australia and New Zealand. The papers relating to these negotiations will be presented to Parliament. A reciprocal old-age pension agreement was also discussed, and proposals will be submitted to you for ratification this session.