

year circumstances combined to make money more plentiful, and my Advisers were able to procure at reasonable rates sums of money sufficient to meet the general requirements of the Dominion, besides arranging for the redemption, renewal, and conversion of maturing loans raised in past years.

The completion of the Main Trunk line between Wellington and Auckland has tended to open up large areas of Native and Crown lands that were lying unproductive, but to-day the settlers upon these and other lands in the Dominion, through want of adequate roads and railways, are working under disadvantageous conditions. My Advisers are of opinion that no policy of land-settlement is sound which does not include a progressive scheme for road-construction, and propose to submit for your consideration a measure which makes provision for the creation of satisfactory means of communication in isolated and badly roaded districts. Further, the remarkable growth of settlement and the rapid expansion of the business of the country during recent years have convinced my Ministers of the necessity for a strong and vigorous policy of public-works construction, and the speedy completion of the more important lines of railway now in progress.

The Tongariro National Park, which lies half-way between Wellington and Auckland, comprising 62,300 acres, and containing within its boundaries interesting mountain scenery and other natural attractions, can with very little expenditure be made one of the most popular holiday resorts in the Dominion. In order that this object may be achieved it is intended to so alter the constitution of the present Board as to provide for the inclusion of persons specially interested in the conservation of the natural beauties of New Zealand.

MR. SPEAKER AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES,—

The estimates for the year have been framed with due regard to economy, consistent with efficiency, and will be duly laid before you.

Notwithstanding the non-inclusion of the proceeds of land-sales, and the loss of railway income consequent on the dislocation of industries by the strike, and on the smallpox epidemic, the public revenue for the past financial year has shown a substantial increase. Full information regarding the recent loan transactions will be placed before you.

The ever-increasing demand on the part of the public for treatment in our general hospitals will entail additional expenditure upon buildings for the reception of patients, and for the maintenance of patients admitted to those institutions.

It has been recognized for many years that the system upon which subsidies have been paid, and grants from the public funds have been made, to local bodies for development purposes is objectionable, unbusinesslike, and uneconomical. A Bill will be introduced containing provisions which, it is hoped, will ensure a fairer apportionment and a more careful expenditure of these public moneys.

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL, AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES.

A Bill providing for the election of members of the Legislative Council by the system of proportional representation in large electoral divisions was introduced in the Legislative Council in the second session of the year 1912, but was then postponed by the Council for consideration in the following year. In the same session the House of Representatives passed resolutions affirming the necessity for reform of the Constitution in the direction proposed by that Bill. In the session of 1913 another Bill to the same effect, modified in some of its provisions, was introduced in the Legislative Council, but failed to obtain the approval of the Council. The Bill of 1913 will again be introduced during your present session in the Legislative Council.

At the commencement of the session of 1913 the Legislative Council consisted of forty-two members. On the 1st July, 1914, if no new appointments were now made, the number of members of the Council would be reduced by effluxion of the terms of appointment and by death to twenty-eight, of