

The area sold for cash amounts to 164,157 acres, to 534 purchasers. The area of rural land surveyed ready for settlement during the year has been 220,000 acres, divided into 1,255 allotments, and there are now in course of sectional survey, 150,000 acres, also 140,000 of trigonometrical survey, which will be placed in the market when the surveys are completed. Of Town and Suburban allotments there have been surveyed 860.

Notwithstanding the large area of land which has been selected on deferred payments during the year, there is still an anxious desire to take up land under this system. It is a matter of regret, however, that the area which can be opened is so limited as to cause considerable delay and fruitless expense to the applicants in attending to ballot for sections. It is to be hoped that the Colonial Legislature will see its way to remove this restriction at an early date. Your concurrence will be requested to the Proclamation of several new Hundreds and of further blocks on deferred payments; proposals for which will shortly be laid before you.

As you are aware, some years ago, in accordance with resolution affirmed by you, I reserved by proclamation a large area of territory as endowments for various public purposes. The Colonial Government, however, declined to issue Crown grants in respect of these endowments, which, by an Act of the Assembly, have been cancelled. The Act in question also provides that, with your concurrence, 500,000 acres for public purposes may be set aside from sale. A resolution will be submitted to you accordingly.

The Births, Deaths, and Marriages during the year amounted to 3,583, 1,067, and 731, respectively.

12,311 Immigrants have arrived in the Province during the year from the United Kingdom, of whom 1156 were nominated by their friends. Notwithstanding the circumstance that a large proportion of these were landed in the winter season, it is satisfactory to know that all able and willing to work were speedily absorbed in the labor market, and at the present moment the Immigration Depots are all but empty. One of the great difficulties with which immigrants had to contend was the scarcity of house accommodation, in order to obviate this this Provincial Government applied for and obtained the temporary use of £12,000 for the erection of immigrants' cottages. This money has to be repaid to the General Government in instalments spread over four years. 135 Cottages have been erected in various parts of the Province, which it is proposed to sell along with the land on which they stand,—the proceeds to be applied to the building of others to be dealt with in the same way until the loan is extinguished. I am glad to say that since the arrival of Mr. James Adam in England, considerable improvement has taken place in the quality of immigration to this Province, and that the results which were anticipated from his mission have thus been so far fully realised.

The amount deposited in the various Savings Banks throughout the Province has been £244,766, being upwards of £31,000 in excess of the deposits for the previous year.

The only new Railways which have been opened has been the main line to Green Island, and the Provincial branch to the Green Island Coal Field.

The gross traffic returns on Railways amounts to £57,857, as against £35,527 for the previous year.

The line from Oamaru to Awamoko will, it is expected, be ready for goods traffic in the course of ten days, and for passenger traffic as soon as the ballasting is fully completed.

The contracts on the Waireka and Western District lines are progressing favorably.

The lines which are being constructed by the Colonial Government are, I understand, being vigorously pushed forward, and the Southern Trunk to Balclutha will be opened so soon as the Chain Hills Tunnel is completed, which it is expected will be about the end of July next.

Last year you resolved upon the construction of various Branch Railways—Railways in many respects, even more important and necessary than the Main Lines, inasmuch as they would connect the interior with the seaboard, thereby rendering the country available for profitable settlement—unfortunately, however, the Colonial Parliament declined to sanction the necessary loan, and, with the exception of preliminary surveys, things remain as they were.

I propose that another effort be made, at the ensuing Session of Parliament, to enable the works in question to be proceeded with.

In compliance with your Resolutions of last year, preliminary Surveys have been put in hand, and estimates ordered to be prepared as to the probable cost of various lines.

A flying Survey has also been made of a line to the Dunstan, both by Waihemo and Tuapeka, with a view of ascertaining the relative cost of the two routes. Full particulars of all these Surveys, together with estimates will be placed before you.

It is scarcely necessary to add, that unless the Colonial Legislature will sanction the required advance to effect these works, or purchase the Bluff and Winton Railway, there is little or no probability of their being constructed, with the exception, perhaps, of such lines as that from Riverton to Orepuki, which will open for settlement Crown lands which are at present practically unavailable, the proceeds of a portion of which will amply cover the cost of the line. In the case of Orepuki, I may say that the present contract will be absolutely unproductive unless the line is completed.

These and similar works of an eminently urgent and reproductive nature cannot possibly be at once provided for out of ordinary revenue. They are works, however, which the Province would not have the slightest difficulty in accomplishing if their payment could be spread over a limited number of years. The Colonial Legislature last session refused to grant your application for a loan, and decided that the Province should not obtain the means required for the construction of its Branch Railways, notwithstanding that advances for various purposes were made to other Provinces. I am glad to be able to state, however, that before the close of the

session the Legislature, recognizing the injury that would be done by refusing to enable the Province to undertake the important works for which the loan was required, agreed to an Act authorising an advance of £60,000 out of the Public Works Loan for the construction of Branch Railways in the Province. I am not without hope, therefore, that, on proper representation of the matter, the Colonial Legislature will sanction a temporary advance to the Province, sufficient to enable it to construct the branch lines so urgently required, and without which the trade of the main lines, and the benefits to be derived from their construction, will not be fully realised.

As it will become necessary to assimilate the gauge of the Bluff and Winton Railway to that of the Colonial lines, the requisite rolling-stock has been ordered from England; so soon as it arrives the gauge will be altered. It is hoped that the value of the existing plant, which it has been agreed to dispose of to the Government of New South Wales, will to a certain extent cover the cost of the new stock.

Gentlemen, the Estimates for the year have been framed with a desire to apportion the Revenue equitably throughout the various districts of the Province, I only wish that the amount likely to be at our disposal during the current year were such as to enable us more fully to meet urgent requirements.

In dealing with the educational requirements of the Province, the General Education Board has had frequently forced upon its attention the necessity of making provision whereby those districts which may desire to tax themselves for the purpose of supplementing the Government allowance to the schools might be enabled to do so.

With this view a Bill will be submitted for your consideration and approval.

On this subject I may say that in my opinion it is a mere question of time when a General Education rate will become imperative. The demand for schools throughout the Province even at the present time can only be partially met out of the ordinary revenue and the rents of the Educational endowments.

During the past year there have been expended on school buildings alone £31,000. The number of Government schools has increased from 140 to 154, and the number of teachers from 219 to 266. The attendance of pupils has increased from 11,451 to 13,681.

The annual report of the Education Department, which will be laid on your table, embodies much interesting information, and many important suggestions, which I shall be glad to see given effect to.

There are a number of other Bills to be introduced by the Government, for the most part of a technical character, and to which I need not now further advert.

I understand that your assent will be asked to several important Bills, having for their object the construction and working of Branch Railways by public companies by means of their own capital.

I hail such enterprises as being of the utmost importance, and as demanding every encouragement at the hands of the Legislature, seeing that the State is not itself in a position to undertake them.

In all such Bills due care should be taken to provide that the Railway may be acquired upon fair terms by the Government at any time, should it be deemed expedient, and also that the Government should have the power to regulate the charges and running of the line, so as to guard against extortion on the one hand, and secure the public convenience on the other.

During the past year the Executive Government has devoted much of its attention to the proper working and organisation of the Railway Department—a Department which is gradually developing itself into one of the most important in the State—and upon the efficient administration of which both the safety and comfort of the public very much depend.

I need scarcely point out how important it is, at the commencement of our Railway organisation, that there may be established, through all its ramifications, the most perfect order and system.

In the attainment of this end, the Government is much indebted to the valuable advice and assistance of the Railway Manager, Mr. W. Conyers, whose services, I regret to say, we are about to lose.

Last Session you voted a sum of money as the salary of a Mining Surveyor; I accordingly placed myself in communication with the Government of Victoria with the view of obtaining an experienced man for the office.

It was found, however, that the sum voted was insufficient to secure for one year the services of Mr. G. H. F. Ulrich, Consulting Mining Geologist of Victoria, the gentleman who was recommended.

Under the circumstances, therefore, it was deemed advisable to employ Mr. Ulrich to the extent to which the amount voted would go.

His report, from which, it is to be hoped, much benefit may result, will be placed before you. It would, I feel assured, be a great boon to the Province could Mr. Ulrich be induced to settle here, in connection with a School of Mines, for the establishment of which it is intended to solicit your approval this Session.

I am sure you will agree with me in regretting the loss which the Province has sustained by the death of Mr. John Auld, one of the earliest and most enthusiastic promoters of the settlement of Otago, a man of high character and standing, who has been of vast service to the Province in various ways, and whom it will be very difficult, if not impossible, to replace.

Mr. Auld's death, there is reason to fear, was brought about in the service of the Province, being the result of an accident which befell him when personally inspecting the arrangements for the late shipments of Salmon Ova.

The question of a successor to Mr. Auld in the British Agency of the Province will be submitted to you.

Last year I suggested that an Asylum should be established for