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THE Second Session of the Twenty-first Parliament of New Zealand was this day opened by the Governor-General, when His Excellency was pleased to make the following

S P E E C H.

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

During the recess the marriage of His Royal Highness the Duke of York has been solemnized. This happy event once more called forth manifestations of the loyalty and affection felt by the people of the Empire for Their Majesties and the Royal Family. On behalf of the people of this Dominion I sent messages of congratulation to the King and to His Royal Highness on the occasion.

Acting upon the advice of my Ministers, I have convened Parliament for a date somewhat earlier than is customary in order that more time may be afforded for the work of the session in the event of your determining that my Prime Minister should attend the Imperial Conferences in London, which are to commence on or about the first day of October.

My Ministers consider that only grave emergency in the domestic affairs of our Dominion could excuse the absence of the Prime Minister of New Zealand from Conferences called by the Prime Minister of Great Britain for the consideration of matters which concern the Empire of which it is our privilege to be an integral part. Divergence of interest and of policy in the various self-governing countries which constitute the Empire must in the future, as in the past, create difficulties which can only be disposed of by that personal exchange of views which is provided by meetings of the Prime Ministers.

Steadily, but surely, methods are being evolved from the Imperial Conferences by which the self-governing countries constituting the Empire may preserve their union under a common Sovereign without diminution of the complete autonomy of each within its own boundaries. That process demands the vigilant attention of every Prime Minister. Another general purpose of the Conferences, of almost equal importance, involves the relation of the Dominions in the foreign policy of the Empire, and the provision of opportunity for confidential discussion of present problems and probable events of the near future, so that the Empire may continue to be united in a single purpose when its existence or its interests are assailed. New Zealand, by its position in the Pacific Ocean, by its government of distant islands, and by its administration of Western Samoa under the King's acceptance of the mandate of the League of Nations, is intimately concerned with certain aspects of British foreign policy, and its Prime Minister has therefore important duties in that part of the work of the Conference in addition to his share in determining the internal relations between the countries of the Empire, and the commercial and legislative aspects of every proposal. Highly important discussions on naval, military, and air defence will also take place.

The first report by the New Zealand Government of its administration of Western Samoa under the League of Nations was considered by the

Third Assembly of the League last year, and received commendation from the Commission appointed under the terms of the covenant to advise the Council of the League. The procedure of that Commission and certain criticisms contained in its report, especially in relation to Nauru Island (in which New Zealand is also concerned), led to protests by the New Zealand delegates at the Assembly against a method which creates an impression that New Zealand's administration as the mandatory Power is subject to public comment from subordinate Commissions appointed by the Council of the League. My Ministers are clearly of opinion that no Government which has accepted a mandate under the League can submit to public criticism of its administration or its conduct from any other body than the Council, though the mandatory Commission is free to advise the Council in any terms it thinks fit. The responsibility of control is conferred by the covenant upon the Council of the League, not upon its Committees, and the Council alone has the authority to determine whether the criticisms of the Commission are justified, and whether public comment on every detail of such criticism is desirable in the public interest.

It is a matter for satisfaction that the mandated territory of Western Samoa continues to make steady advancement under New Zealand control. The relations between the inhabitants, both European and Native, and the Administration are showing a very satisfactory improvement.

The result of our share in the control of the phosphate deposits of Nauru has been satisfactory, and the demand in New Zealand for phosphate-rock has increased. The quota to which New Zealand is primarily entitled—namely, 16 per cent.—has been approximately utilized during the past year.

Attention has been given during the recess to the important work of compilation of statutes, but the process has been somewhat delayed by the necessity for the services of an additional Judge of the Supreme Court, and the temporary appointment of the Compiler of Statutes, the Honourable Sir Frederick Chapman, to that office.

Bills consolidating the Companies Acts, the Chattels Transfer Act, the Land and Income Tax Act, the Harbours Act, and the Stamp laws will be laid before you. The very difficult and important work of consolidating the Dominion land laws has also been undertaken. As the result, a lengthy and elaborate measure will be submitted for your consideration.

Last year an Act was passed in the Imperial Parliament dealing at great length with the subject of simplification of the laws relating to title to land. In this Dominion there are two distinct but concurrent systems of title and tenure—namely, the Land Transfer system and the Conveyancing and Deeds Registry system. With regard to the latter system, the law is founded upon the land laws of England before 1840, as modified, first, by the Conveyancing Ordinance, and later by our Property Law Consolidation Act, 1908. In some respects the recent English Act by its amendments of the law creates further difference between the law relating to title and conveyancing in New Zealand and that ruling in England. My Government has given full consideration to this subject, and has decided to submit to you legislation which will have the effect of bringing titles to all lands in New Zealand under the provisions of the Land Transfer Act within a period of ten years. The method of deeds registry has already produced such a multiplication of volumes and records as to render search against encumbrances difficult. The proposal necessarily involves a temporary issue of provisional certificates of title, where surveys are incomplete or titles defective; but a limit of time is provided, after which the provisional certificate shall become absolute unless contested.

The possession by New Zealand and by Great Britain of ports and localities where whaling-vessels concentrate has induced the hope that some effective means of controlling that enterprise, with due regard to the interests of foreign vessels engaged therein, may be devised. I hope that it may be possible to lay before you during your present session correspondence which has recently taken place between His Majesty's Government and my Government on this subject.

During the past year immigration from Great Britain has progressed satisfactorily, special facilities being extended for farmers, farm labourers, and all classes of skilled artisans required for secondary industries. Under the Empire Settlement Act provision was made enabling the Imperial Government to co-operate in furthering British settlement in His Majesty's Dominions, and my Ministers have been able to arrange for a very low scale of passage rates, which should be the means of inducing the steady flow of British immigrants to our shores without disturbing the industrial conditions of the Dominion.

Acquisition by foreigners of the status of British subjects within New Zealand by the process of naturalization has demanded careful consideration, and a measure will be submitted to you repealing the Aliens Act, 1908, and its amendments, and substituting a new law incorporating certain provisions of the Imperial Act of 1914, but excluding the adoption of Part II of that Act, which provides that naturalization in any part of the Empire should confer the rights of a British subject in every other part. My Government, after full discussion with the Imperial Government, has decided to ask the New Zealand Parliament to adhere to the principle which has prevailed hitherto, that the rights of a British subject in New Zealand, which include exercise of the franchise, shall be acquired only by such foreigners as have resided for some considerable time in New Zealand, and have proved by their conduct during that residence that they are fit persons to share with us in the government of the Dominion.

I deeply regret that since I last met you the Dominion has lost through death the valuable services of Sir William Herbert Herries, a member of the Executive Council and for many years a very highly respected member of the New Zealand Parliament.

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

The results of the financial year ending on the 31st March last have been extremely satisfactory. The reduction in expenditure as compared with the previous year amounted to £2,203,078, and, notwithstanding the remissions in taxation granted by Parliament last year, the revenue has exceeded the estimate by £1,329,443. The result is a surplus of actual revenue over actual expenditure of £1,315,683. It is gratifying to have so substantial a proof of the prosperity of the country generally, and of the success of its industries. Evidence of the Dominion's credit is, in addition, afforded by the terms of the loan floated in London in the month of May for the sum of four million pounds, at the rate of four per cent., issued at ninety-two. The loan was largely oversubscribed, and the reduction in the rate of interest ensures a substantial relief of the burden on our revenues as compared with the rates on previous recent loans.

The estimates for the current year have been prepared on a basis of that rigid economy in public expenditure which my Ministers regard as essential. The burden of taxation was largely increased by the war, and reductions of that burden can only be effected consistently with safe finance by curtailment of expenditure from the Consolidated Fund, and by careful limitation of the extent to which the Public Works Fund, consisting of borrowed money, is utilized.

I have observed with deep regret, and sincere sympathy for the sufferers, the damage caused by the recent floods in various parts of the Dominion, especially in the South Island. My Government has already, in reliance on your confirmation, provided moneys to aid persons who have lost property and public bodies which are unable to repair great damage, but it is clear that further provision from the Public Works Fund will be necessary towards restoration of roads and bridges damaged or destroyed.

The Main Highways Board under the Act of last year has recently been appointed. Provision of money urgently required for the essential operations which the Board is to conduct and control is a matter which my Ministers consider will require your early and careful attention.

The position of our returned soldiers has received anxious consideration from my Ministers. It will be remembered that two classes of advances for repatriation purposes have been established—the first for the provision of land for soldiers desiring to settle, which was later extended to provide for the erection of houses on the farms of such soldiers, and the second for enabling returned soldiers to undertake trading and other forms of industry apart from land. This latter class also included provision of advances for the purchase of furniture. With regard to the second class of advance, the record of the soldiers is one of which the Dominion may well be proud. Advances of this class have amounted in gross to £2,330,000, nominally secured on chattels, but really resting on the honour and good faith of the men who received the money. No less than £1,260,545 of capital advance has actually been repaid. In the vast majority of cases all interest has been paid; only a very small amount is in arrears. Less than 3 per cent. of those to whom such advances were made have failed to meet their obligations, and in the majority of those few cases the failure has been due to misfortune. But it is the first class of advances upon land for settlement and for purchase of stock and, later, upon houses for the soldier settlers, amounting in the aggregate

to more than £21,000,000, which has caused anxiety, and demands your careful and sympathetic consideration; for it is certain that the soldiers who settled on land would have been as ready to meet their engagements as the soldiers established in business had their opportunities been equal. Some of the lands purchased on behalf of the Government were, after subdivision, disposed of to the soldiers upon terms and at a cost which, because of subsequent depression in the prices of our primary products, failed to allow a fair return for the capital and labour involved. It is obvious, however, that in regard to such lands the position can be met by your authorizing remissions of arrears to a certain extent, and, where necessary, reductions in the capital values. More difficult cases are those where, under a special provision of the Discharged Soldiers Settlement Act, soldiers were enabled to purchase lands from private persons, advances being made by the Government to them for that purpose approximating to the capital value as ascertained by Government valuation. In that class of cases there is in general a second mortgage of the land to the vendor, followed in some instances by other mortgages where the vendor was himself subject to a charge. The rights of vendors as well as of the Government are thus involved, and a solution is by no means simple. Boards of Inquiry have been constituted, with the duty of making close investigation into the position of soldiers under the Discharged Soldiers Settlement Act throughout the Dominion, so that action may be taken thereon during the present session of Parliament. My Ministers feel assured that it is the desire of the whole people of the Dominion that discharged soldiers who have settled on land and have proved themselves able and willing to manage their holdings should be enabled to retain their possessions with the prospect of a sufficient return from their properties after discharge of the annual payments due to the country under their contracts.

The legislation providing for Government advances to facilitate the building of houses generally has been taken advantage of to a certain extent, but has been found to be not fully effective, as, under the State Advances Act, the limit of advance to 75 per cent. of the value requires provision by each applicant of a considerable sum. My Ministers propose to submit to you an amendment of the present Act enabling Government advances to be made to an extent equal to 95 per cent. of the value of the land added to the estimated cost of the building, provided that such loans are made upon a table basis requiring repayment of the loan and interest by regular instalments.

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

You will be asked to consider a Bill to alter the procedure under which local legislation of a minor character is at present dealt with in Parliament. The Reserves and other Lands Disposal and Public Bodies Empowering Act of 1922 contains 158 sections. The same Act of 1921 contains 138 sections. The collocation in one Act of a number of sections relating to different subject-matters and different local bodies in cases where the desired legislation is not of such magnitude as to require the provision of a separate local Bill has been found convenient, and it is not proposed to discontinue it. The principal difficulty in regard to such legislation is the absence of notice to the ratepayers and others concerned of the intended legislation, which is thus massed together at the end of each session. By the Local Legislation Bill to be submitted to you it is proposed to ensure that such notice shall be provided by antecedent publication in the *Government Gazette*, or, where necessary, in newspapers circulating in the districts concerned.

Bills amending the Naval Defence Act, the War Pensions Act, the Samoa Act, the Noxious Weeds Act, the Cook Islands Act, the Death Duties Act, the Insurance Companies' Deposits Act, the Juries Act, the Justices of the Peace Act, the Master and Apprentice Act, and the Police Offences Act are among the measures which have been prepared and are ready for your consideration.

The Dairy Produce Export Bill, the provisions of which were partly considered by Parliament in the session of 1922, will, with certain modifications, be again submitted to you.

I commend the subjects to which I have referred to your earnest attention, and I trust that the blessing of Almighty God may rest upon your deliberations.