

Contemplated special allowance to Auckland, £2,500. Wellington gains, because its services have been exceptionally heavy.

Comparison with last year not unfavourable;

But compared with year before last, Provinces gain £28,987.

How Provincial duties have been narrowed.

Superintendents to be *ex officio* members of Provincial Councils; And number of members to be reduced.

Some of these reforms may be optional.

Special arrangements for Westland.

Southern Provinces; and it is in consequence under consideration by the Government to agree to an exceptional allowance of £2,500 to that Province. The reason why Wellington is so much a gainer, can easily be discovered. The Province has hitherto had to pay for services rendered unusually heavy because of the General Government and the Assembly. The charges have, therefore, averaged very much more per head of the population than in other Provinces. It follows that when the Colony takes over the Provincial services, Wellington becomes so much more the gainer. It may however be said with justice, that instead of being a gainer now, it has been somewhat unjustly a loser in the past.

I submit that the comparison with last year is not unfavourable; but last year was the Provinces' leap-year—their year of jubilee, of unprecedented receipts from the Colonial chest. Comparing what we now propose with the circumstances of the year before last, I find that they gain £28,997, irrespective of the expenditure that will be devoted to Immigration.

The legislation of last Session, as well as what we now propose, relieves the Provinces of some work for the performance of which they were originally constituted. The Provinces also, very wisely exercising their powers, have constituted Road Boards within their own limits. They have thus relieved themselves of powers, which, by their Constitution, they might specially have retained. In short, the sphere of their duties has become contracted; and in presence of the deficiency in the revenues of the country, it is essential to impress upon them that, by reducing their machinery, they must reduce their expenditure. We are of opinion that if the Superintendents became members of the Provincial Councils, the cost of the Provincial departmental services would be reduced, and that simplicity and economy would result, without impairing the efficiency of the system.

We propose to give to each Superintendent power to sit, *ex officio*, in the Council of his Province; and we shall suggest to the House to make provision to enable the number of members of Provincial Councils to be very much reduced. In certain cases where Provinces are unable to fulfil their functions, we propose that the General Government shall take charge of their affairs. If the Assembly should so desire, the Government will be willing to leave these reforms, or some of them, to the option of the existing Superintendents and Councils. As to the County of Westland, we propose that special arrangements, to be explained hereafter, shall be made. Without going more into detail at the present, I desire to impress upon the Committee that the Government intend to submit to the House some change in Provincial organization, with the object of simplifying Provincial institutions, and reducing their cost.

PUBLIC WORKS.

I will now place the Committee in possession of information as to the course the Government propose to adopt in respect to Public Works and Immigration. A part of what I have to state will be merely indicative of the mode of giving effect to already existing provisions; but some of the proposals involve departure from the specific forms of the measures of last Session. The Committee will not be surprised at such departure, in the way of amendment, being required; for, carefully as the proposals of the Government were framed and considered last Session, it was to be expected that, as they were tested by experience, some modifications would be found necessary. I shall describe our present proposals as much in detail as is consistent with such a Statement as I am now making; leaving fuller details to be supplied by my colleague the Minister for Public Works.

Modifications necessary.

Railway arrangements with Messrs. Brogden and Sons;

Honorable Members have already had in their possession for some time the text of the arrangement as to railways entered into in London with Messrs. Brogden and Sons. By that arrangement the Government have power to choose between two contracts: one of which is to all intents and purposes within the scope of the authority given last Session, whilst the other is sufficiently varied in its provisions to require special legislation if it is to be selected. By each contract the profits of the contractors are limited to 5 per cent. upon the actual