

their own risk, and that there is no tutelary genius watching over the interests they neglect. One hears at times reproaches levelled at local bodies because of their great number and of the many people engaged on them. If these bodies overlap and repeat each other's work, there is of course objection to them; but if they do distinct work I not only see no objection to the local duties being divided amongst a great number of persons, but much advantage in it. A theoretically-perfect local system would be that in which nearly all the individuals, with the consent of their fellows, rendered each his share of labour to the general good. Although we may stop short of so wide a division, there surely can be nothing to take exception to in a division of labour that, for example, would give to some capable persons purely municipal duties, to others attention to the harbours, to others care of the public libraries, and so on.

It is, however, chiefly my duty now to deal with financial considerations, and I have to say that the Government consider that from a fiscal point of view the proposed endowment of local districts is amply warranted. Apart from the contention I have submitted, that it is for the welfare of the whole community that the several interests should help each other, the expenditure proposed is a wise investment. The opening up country by roads and bridges enormously increases its value—I mean its intrinsic, not speculative, value. We shall thus, by means of the subsidies, be constantly adding to the amount of property available for direct taxation.

The unequal expenditure during the last few years on roads, bridges and, analogous local works is a striking plea in favour of the more regular system we now submit. A statement of past expenditure is furnished with the usual tables. We propose to repeal the Roads and Bridges Construction Act, but to fulfil the obligations incurred under it. We propose that part of the charge of the subsidies shall, for five years, come out of loans; but the sum proposed from this source will be very much less than we have grown into the practice of taking for these purposes from borrowed money. The amount of subsidies to local bodies we shall submit is a sum not exceeding £300,000 per annum for twenty-five years, of which one-half for five years shall be provided by loan. We propose that in this amount shall be contained some special subsidies to gold-fields counties, and we intend still to continue the rating of Crown lands, but the Crown's liability not to extend to rates beyond  $\frac{3}{4}$ d. in the pound. We shall submit a power to the Governor to arrange with local bodies for making roads specially required to open up lands newly sold or about to be sold. I cannot refrain from adverting to one special power which we desire to place at the optional disposal of local bodies—a power which is as beneficent as it is likely to be profitable—I allude to providing dwelling-houses, with small areas of land attached, for labourers all over the country, at moderate rents, or on terms of purchase by instalments. Suppose, to take an example, that a local body puts up a house at a cost of £80 on a piece of land of the value of £30 or £40, the total cost would yield a good return at 4s. a week, with a right to the fee-simple in about fourteen years; or, at 5s. a week, a right to the fee-simple in about ten years. We propose to exempt these dwellings whilst under lease from seizure for debt. They may be erected by hundreds all over the colony. They will give to the labourers resources and means of comfort, the want of which has been apparent in this colony, and is painfully apparent in older countries. The local bodies will run no risks, for these properties will constantly acquire additional value, and be good security for the liability upon them. As to the properties themselves—I am supposing lands to be used in the vicinity of towns, and country townships—they will become, within the periods mentioned, of great value.

It is intended the subsidies shall only be one-half for the present year. The reason is this: it is necessary to fulfil all the engagements for roads and bridges either promised or entered into, including those under the Roads and Bridges Construction Act. The amount required for this purpose is very large, and a half-year's subsidy for the present year seems sufficient. The amount of £300,000 which I have mentioned is the maximum amount which will be allowed, based on rates. It is estimated that according to the present rates it