

absorb them instead of the county. Perhaps it might be desirable to provide power for either of these methods to be adopted, on the recommendation of the Local Government Board. At the same time, I think that it might be advisable to give some encouragement to small villages to govern themselves—after the style of English Parish Councils, without the cumbrous and expensive methods of Town Board legislation—by a system of what I may call Local Committees.

The outlying portions of a county will not be willing to rate themselves for the purpose of providing special conveniences for those who may live in growing townships. Many such townships are now springing up along the North Island Main Trunk line, and it is desirable that an opportunity should be given for the development of this class of village or locality. The form of government should be of the simplest class—simpler even than the English Parish Councils. Town districts are more like imitation boroughs than is desirable. I think, therefore, that the Local Committees which I suggest might be elected more on the method of School Committees, by an annual meeting of residents; that the district should be not more than, say, two miles square, and should have a population of at least a hundred resident ratepayers; that the powers of the body should be confined to such questions as streets, lighting, local drainage and scavenging, libraries, baths, footpaths, and similar matters. The Local Committee should have no power of rating, but should indicate to the County Council what its requirements will be. The Council should then levy a separate rate on the district for the purpose of providing for the wants of the inhabitants as indicated by the Local Committee, and the administration should be in the hands of the County Council.

(4.) *A Sound and Assured Finance.*—This probably is the crux of the whole question—namely, how far should the entire financial responsibility of local government rest upon the various localities, or how far is it incumbent upon the Central Government to assist to provide the cost of the local governing bodies?

There seems to be a consensus of opinion that that portion of the local bodies' revenues which are described as tolls, licenses, &c., should continue as at present. The question is how far the State should be held responsible for the assistance of all local authorities and for the development of the out-districts. At present a system is in operation providing for payment of subsidies on general rates on the scale of last year's Appropriation Act, and of the Municipal Corporations Act, and the Hospitals and Charitable Institutions Act.

In the Bill which is now before you a fresh basis was proposed, by dividing the capital value of the rateable property in the county by the number of square miles included in the county and granting subsidies ranging from 2s. 6d. to 20s. in the pound. I have had this scheme of subsidies worked out by the Valuer-General compared with the existing scheme and am satisfied that it is unworkable, and this feature of the Bill must, I think, be abandoned.

Perhaps some light might be thrown upon this important question if we consider the method that is adopted in New South Wales. There the shires receive an endowment in the shape of a direct subsidy from the Central Government. For the purpose of the subsidy the shires are divided into six classes, and in determining the class of each shire the following matters are taken into consideration: (a) The extent of the shire; (b) the probable annual revenue derivable from a rate of 1d. in the pound on the unimproved capital value of rateable land in the shire; (c) the necessary annual expenditure; (d) the extent of the roads to be made and maintained; (e) the difficulty of construction and maintenance of roads and other public works; (f) the facilities to be afforded to vehicular traffic; (g) the extent of public works maintained by the Government; (h) the extent of Crown lands (other than parks or reserves for public recreation) from which the Council will receive no rates, and the existence of which in the shire involves expenditure by the Council on road-construction or in other ways.

A graduated system of subsidies is provided, representing 10s. in the pound on the general rates for the first class, and rising at the rate of 5s. in the pound for each class up to the fifth class, when it rises 10s., and becomes 40s. in the pound for the sixth class.

Speaking personally, it appears to me that the system of subsidies should be regulated rather by the necessities of the districts than by the amount of rates that