

upon it, because there is no other body to which those matters—which in many cases are of purely provincial interest—can be referred. For example, the other day in one city an application was made for a Government grant for a museum. In another city the Domains Board desires to regulate the Government representation upon that body according to the amount of annual subsidy which the Government is prepared to pay. Surely the museums should be regarded as provincial institutions rather than as national ones. In exactly the same way the domains of cities should be regarded with pride by the people of the provincial district, and should be supported by provincial funds rather than by State grants.

I now come to another question that has been dealt with in connection with the Provincial Councils—I refer to education; but as the Government intends to set up a Commission at an early date to consider the question I do not propose to deal further with it.

While many of the subjects on which I have spoken are of great importance, you will see for yourselves that it is almost impossible for the Central Government to undertake a service which is of particular benefit to one district without laying itself open to claims from every other district for exactly the same thing.

I have now, gentlemen, endeavoured to show you the principles that underlie the provincial system that is proposed in this Bill. It is possible that the Bill goes too far, but I am satisfied that if that system were established on statesmanlike lines, and with due regard to existing rights, and were in force a sufficient number of years to test it, its benefits would be so apparent in the power of local self-government that would be given to the people that it would be regarded as a priceless heritage, leading to a higher state of local government than we have ever had before.

DEBTS OF LOCAL BODIES AT 31ST MARCH, 1911.

	£
Counties	185,631
Boroughs	8,399,327
Town Boards	74,265
Road Boards	72,776
River Boards	27,350
Land Drainage Boards	42,827
City and Suburban Drainage Boards	865,000
Water-supply Boards	15,000
Tramway Boards	447,000
Harbour Boards	6,002,400
	£16,131,776

Of this sum, £8,658,476 has been raised in New Zealand (including £404,163 from the State Guarantee Office), and £7,473,300 outside New Zealand.

But besides the above amount of	£16,131,776
there was a sum of	£1,025,663
owing to the Government under the Roads and Bridges Construction Act, Government Loans to Local Bodies Act, and Loans to Local Bodies Act, making a total debt of	£17,157,439

The total charge for interest and sinking fund is	£884,655
to which must be added	£116,155
payable annually under the Loans to Local Bodies Act, being a total annual charge on the local bodies of	£960,810

To indicate the growth of the local-government debt it is sufficient to show the figures, as follows (including Government loans):—

	£
1881	3,039,807
1891	6,414,725
1901	8,465,838
1906	12,298,545
1911	17,157,439