

is necessary, and the Government proposes to introduce legislation next year which will adjust the existing anomalies, and will, so far as the tariff can do it, make the conditions of life easier.

Proposals will also be submitted with a view to preventing the "dumping" into New Zealand of certain goods controlled and sold by foreign trusts and combines, and legislation to protect local manufacturers and the public generally against unfair competition will require to be of a very drastic character.

GOVERNMENT CONTRIBUTION TO LOCAL WORKS.

I am confident that the House will support the Government in its effort by legislation to institute a control, independent of the Government and of party, of moneys provided from the Consolidated Fund and the Public Works Fund in aid of local government and local works.

It is necessary to distinguish between subsidies and grants. Subsidies are provided from the Consolidated Fund in aid of the ordinary revenue of local authorities, and constitute the annual contribution by the State to the cost of local government. The Municipal Councils alone at present have their subsidies determined by a permanent Act, and hold a statutory appropriation. The other local authorities which at present receive subsidy—namely, counties, Road Boards, and Town Boards—have the annual contribution of the country determined each year in the Appropriation Act. The Government proposes to establish all subsidies at the present rate by statutory appropriation, and to provide a further sum equal to one-fourth of the total subsidies, and place that sum annually in the hands of an independent Board for allocation among the districts which, for particular reasons, require special assistance from the State.

Grants from the Public Works Fund are at present made to provide, either wholly or in part, the cost of local works the construction of which the Government of the day thinks it desirable to encourage, provision being made by annual appropriation in accord with the Public Works Statement of the year. The Government intends to establish an impartial and absolutely non-political system for the apportionment of that part of the Public Works Fund which is available in any year for aid to local works; and, while I recognize the gravity and far-reaching effect of such a change, I believe it will have the approval of Parliament and of the country.

A further large provision for the relief of local finances is proposed in that part of the Local Grants and Subsidies Bill which directs the ascertainment by the same impartial and non-political Board of what are, and what are not, main arterial roads of the Dominion, and to what extent the Government funds should be applied to the construction and maintenance of such roads in relief, wholly or in part, of the funds of the local authorities. In this case the ascertainment by the Board is required to be submitted for the approval of the House before it is finally adopted. But practically the settlement of this long-vexed question is now made possible. The principle to be established is that, while the roads of a district must be provided and maintained by that district from its own funds, except so far as they are aided by subsidies or grants, the maintenance of the main arterial roads, which serve the purposes of the people of the Dominion, and not merely of the people of the locality, should be the function largely of the Dominion, and not of the locality. The intention of the Government is to establish a definite rule that works which are of special interest and advantage to a locality should be provided by that locality, while works such as arterial roads, which are of far more than local interest or advantage, should be one of the burdens on the Dominion finances. The effect upon the annual finance of local authorities will be practically the same as a large increase of the annual subsidies; but I believe that the principle which I have outlined is just, and that by the country taking over for the first time its full share of the burden of the main roads of the Dominion the local authorities will be enabled in future, out of their ordinary finances, to make more ample provision for local needs.