

its operation the administration of the provincial estate must be regulated by the exigences of colonial finance.

But, even assuming that your information had been correct, and that the province had disposed of large blocks of hill land to runholders, there are many and cogent reasons which might well have driven it to this course. Among these might be enumerated the refusal of the Colonial Legislature to enable the province to anticipate its land revenue for the construction of those public works without which the land would be comparatively valueless for settlement, and also the difficulty experienced in obtaining payment from the Colonial Government of moneys to which by law the province is entitled.

I would point out to you that there is taking place in Otago a very considerable amount of agricultural settlement on deferred payment, and that this has to be followed up by providing the means of communication, schools, and many other requirements, to meet which money must be had.

Assuming that funds cannot be obtained otherwise than from land sales, I am of opinion that it would be far preferable to sell purely pastoral land to runholders at 20s. an acre, than to place in the market, for disposal wholesale to speculators, large areas of valuable land which still remain, and which it is the policy of the Provincial Government to preserve, to meet the requirements of agricultural settlement.

You further allege that the province has sought to withdraw from ordinary purposes (which I presume means from sale) "enormous blocks of country, from fear the land might be otherwise absorbed." It is quite true that years ago the Provincial Council resolved to set apart several millions of acres as endowments for education, hospital, and other public purposes; in which resolution the Colonial Government did not concur. Ultimately, however, 500,000 acres were agreed to be Crown-granted.

I fail to see in this action of the Provincial Council any reason why the province should be abolished, but the reverse. I am disposed to regard this action as a far-seeing apprehension of that centralistic policy against which I am contending—a policy which, whatever may be your present intention, must inevitably result in the general consolidation of public assets and liabilities throughout the colony. Among the former, of course, must be included our land fund, our education reserves, and, as likely as not, all other reserves besides.

I would not for a moment impute to you any present intention in this direction, but cannot disguise from myself the feeling that you are now embarking upon an ocean of circumstances which you will be unable to control, circumstances in which the colony must eventually drift into the position I have indicated. You might as well expect the Ethiopian to change his skin as that Centralism in New Zealand will be content with anything short of that position.

You say that the people of Otago do not realize and are misinformed as to what abolition means. If this be so, why not submit for the consideration of the people those measures which will enable them to interpret for themselves its real meaning—those measures which are to usher in the political millennium?

To my mind, whatever the measures may turn out to be, the man must be blind indeed who does not realize, in the whole action of Centralism in New Zealand during the past twenty-five years, "*one purse for the colony*,"—a consummation totally irreconcilable with your conviction that the land fund and public reserves of the respective provinces will be localized.

You say that, in respect of Immigration and Public Works, the colony has done more for Otago in five years than the province could have done for itself in ten. To this I must entirely demur. It would not be difficult to show that had the province been permitted to conduct those operations for itself, the result, to say the least of it, would have been equally satisfactory, and in all probability much more so.

I have no hesitation in saying that the Clutha Railway, for example, would have been constructed by the province for at least £50,000 under what it has actually cost.

You say that the Governments, Provincial and General together, are spending