

LOANS TO LOCAL AUTHORITIES.

The Government has under consideration a modified system of loans to local bodies, somewhat resembling the old system, under which the smaller and weaker local bodies would, for urgent work connected with roads and bridges, receive loans at a comparatively low rate, the State bearing a portion of the burden of providing for the interest and sinking fund. Such a policy would, it is evident, relieve the roads and bridges votes on the public-works estimates.

SUPERANNUATION FUNDS.

Although the Public Service and Teachers' Superannuation Funds have both large balances to their credit, the Actuary reports that in view of future liabilities an additional amount of £25,000 a year (or £48,000 in all) should be paid by the consolidated revenue into the former fund, and, in like manner, that the latter fund should receive annually £17,000 instead of £7,000 as at present; it is proposed to introduce legislation accordingly. It is also proposed to have an actuarial examination made of the Railway Superannuation Fund.

LEGISLATIVE COUNCIL REFORM.

A Bill will be introduced at once to make the Council elective. The North Island and the South Island (with Stewart Island) are to be the two electorates, each having twenty members, ten of whom are to be elected at each election of members of the Lower House, each member of the Council holding his seat during two Parliaments. The election is to be conducted on the proportional system of representation; the present members will hold their seats until the expiry of the usual term (seven years from the date of appointment).

SECOND BALLOT.

The Government intends to introduce a Bill substituting another method of election for the second ballot, which has proved unsatisfactory.

FINANCE REFORM

is dealt with under several heads. The loans falling due during the next seven years amount to a little over twenty-three millions, rather more than half being payable in Australia and New Zealand (five-sixths of this in New Zealand), and the remainder in London. As to the loans falling due this year, amounting to over three and one-quarter millions, renewal has already been arranged for three-quarters of the total—namely, about one-half at $3\frac{1}{2}$ per cent. and one-quarter at $3\frac{1}{2}$ per cent., and there appears to be no difficulty in arranging for the remainder. The Government does not approve of short-dated debentures for loans, and proposes to convert them into stock at $3\frac{1}{2}$ per cent., maturing in not less than twenty years' time.

It is thought that the Public Accounts Committee would be of far greater service if it had greater powers and responsibilities; the Committee is to be given power to call for persons and papers, and the estimates of revenue and expenditure are to be submitted to it for its advice. This plan has worked well in the Union of South Africa.

DETAILS OF PUBLIC ACCOUNTS.

The members of the present Government, who realized when in opposition the necessity for placing before Parliament details of the public expenditure, intend to adopt this policy.

LOCAL GOVERNMENT BILL.

There has been no time since the Government came into office to go into the details of a Local Government Bill, but the matter will be carefully considered during the recess. Above all, it is essential that something should be done at once to replace the present method of assisting local bodies to construct their roads and bridges by a sounder system, and it is intended this session to introduce a short Bill classifying these bodies according to their needs, and providing subsidies which will be proportionately larger to the most needy. By this means it is hoped to reduce the votes for roads and bridges on the public-works estimates, and finally to do away with them altogether.

The system of paying the proceeds of land-sales into the Consolidated Fund as if they were a part of the revenue is condemned as unsound finance. In future, such amounts are to be transferred to the Land for Settlement Account, which will thereby be strengthened and rendered less dependent on borrowed money.

THE PUBLIC SERVICE.

Legislation will be introduced which aims at the destruction of political patronage. It will provide for the adoption of the principle embodied in the laws which regulate the Public Service of the Commonwealth of Australia and of some of the Australian States. A Commissioner will be appointed who, with his assistants, will be responsible to Parliament for appointments to the service, for promotions in the service, and for the general organization of the various departmental staffs. Provision will be made for the encouragement of merit, and for the introduction of some uniform principles governing promotions, increases of salaries, holiday and sick leave, and other matters pertaining to the good government of the service. The Government has adopted the new principle of consulting the Heads of Departments collectively instead of individually upon all proposed increases of salary.

The increases of salary to be granted this year to officers of the public service have been referred to a Committee elected by the Heads of Departments from among themselves, in order to secure, if possible, some uniform and just system in dealing with them.