

Clause agreed to.

Mr. J. H. WALKER moved the adoption of clause 5—namely, “Your Committee suggests that the Minister should consider the question of subsidies (or capitation) now being paid to Boards, and Boards of Governors, for technical and manual training and secondary work.”

Clause agreed to.

Mr. J. H. WALKER moved the adoption of clause 6—namely, “Your Committee suggests that the result of inquiries, if made, under resolutions 4 and 5 should be communicated to the Boards for consideration, and for further alteration, if necessary, before any material alteration in the law is made.”

Clause agreed to.

Mr. EVERETT (Waima County Council) objected that the grouping of the local bodies meant that the most thickly populated centres had the control of the representation.

Mr. D. J. WILLIAMS (Chairman of the Buller County Council) asked whether the time had not arrived to alter the method of the election of Education Boards.

The PRESIDENT ruled that the question raised by Mr. Everett had been dealt with by the Conference, and, because of the resolutions, the question of education was outside the scope of the Conference.

Report of Committee No. 4, Hospitals and Education, agreed to.

SUBSIDIES.

The PRESIDENT asked Mr. Middleton, Chairman of the Committee on Local Government Board, Provincial Councils, and Subsidies, Grants, and Finance, if he would move clause 7 of that Committee's report, dealing with the question of subsidies—namely, “That this Committee is of opinion that the system of subsidies should be regulated by the necessities of the district rather than by the amount of rates that may be collected. That Parliament should annually decide what sum is available for subsidies to local bodies, and should set aside such a sum for this purpose. That this sum so set aside should then be divided among the local bodies on a definite principle. That the system this Committee would recommend the Government to adopt is the one that has been in force for many years in New South Wales, and which has been outlined by the Minister in his address. That this recommendation is made without prejudice to the interests of cities and boroughs.”

Mr. MIDDLETON (Chairman of Committee No. 1) would just like to say that his Committee, in making this recommendation, was desirous that some change should be brought about to get away from the present system. It was not that they had any knowledge of the New South Wales system. They were desirous of trying any system other than the system obtaining in New Zealand at present. He hoped that the Conference would devise some scheme more suitable than that which we had now.

The PRESIDENT said that perhaps it might be an advantage if they first took the clause in the Municipal Committee's report dealing with the same subject.

Mr. PARR (Auckland) as Chairman of Committee No. 2 (Municipal, with Special Relation of Inclusion of Contiguous Districts and Town-planning), moved clause 4, as follows: “That the system of subsidies to boroughs be continued, and in the case of their merging in counties the subsidies for the boroughs so merged should be continued to the counties.” It was, he said, really complementary to the clause in the report of Committee No. 1 on this matter, and did not conflict with it at all. He agreed with the remarks that had been made during the Conference regarding large cities, and thought the subsidies should be given to the country districts. The Committee considered that the subsidies to the boroughs should be continued, and probably that meant the New South Wales system. They provided that where small boroughs could be merged into counties or larger boroughs it should be done, and that the subsidy should go to the borough or county into which the merging had taken place.

Mr. JULL (Hawke's Bay) said that the first Committee's report recommended that Parliament should annually decide what amount was available for subsidies to local bodies, and put that sum aside for such purpose. It should be defined that the subsidies should not be restricted to any given amount. At present the subsidy was limited to the amount of the rate of $\frac{3}{4}$ d. in the pound. The local bodies wished to have that altered, because they had to rate more than that, and on the increased amount they got no subsidy whatever. The suggestion of the Minister that we should incorporate the law that was now in force in New South Wales was one that the Committee was prepared to give consideration to, but they were not prepared to recommend the definite adoption of that system. Probably when the Minister brought down his Bill he would be able to make sure that the system he advocated would meet the conditions of this country as well as it met the conditions of New South Wales.

Mr. R. MOORE (North Canterbury) thought that if they passed clause 4 of No. 2 Committee's report it would clear the way, and the other clauses dealing with subsidies might be discussed afterwards.

The PRESIDENT said he would accept the suggestion and put the question at once, That clause 4 of No. 2 Committee's report be adopted—namely, “That the system of subsidies to boroughs be continued, and in case of their merging in counties the subsidies for the boroughs so merged should be continued to the counties.”

Mr. D. STEWART (Balclutha) desired to move an amendment. He understood the intention of the Committee was that the subsidy which would have gone to the borough should go to the county.

The PRESIDENT said that was so.

Mr. STEWART said he would move the addition of these words to the clause: “and be spent within the merged area.”