

suggestions of the Opposition with a due regard to their own position. But an empty exchequer altered all this. The Opposition knew that office had nothing to offer them except a continual struggle between limited means and large demands; and, when it was impossible to win the glory which the prosecution of large public works brings to a Government, there were few who cared to strive for the still greater, though less obvious, honour of carrying on the Government creditably and safely in a time of great difficulty. Accordingly, while the Council insisted on dictating the policy of the Government, the latter demanded no higher position than that of carrying out the wishes of the Council. The session of the Council closed on January 12. A second session of the Provincial Council was held from June 7 to July 19, but the business transacted calls for no special comment. It was mainly confined to discussing the probable income and expenditure of the province for the next nine months, and exhibited in a still stronger light the altered positions of the Government and the Council.

On January 14, Sir George Grey, who had not visited Canterbury for fifteen years, landed at Lyttelton, and was received with the utmost enthusiasm. His Excellency remained in the province for over a month, and so identified himself with the interests, feelings, and hopes of the settlers as to win universal popularity. After thoroughly exhausting all the objects of interest in the more immediate neighbourhood of Christchurch, he travelled southward to Timaru and westward to Hokitika, thus enjoying opportunities of seeing the province in two very different aspects, both as regards the pursuits of its inhabitants and its physical conformation. His Excellency's estimate of Canterbury, as compared with other portions of New Zealand with which he was acquainted, was somewhat fancifully expressed. To him it was the Ugly Duck among the provinces—uglier, bigger, less promising at first than any one member of the Provincial family, but in its gradual growth and development surpassing all the others. After visiting the provinces of Otago and Southland, Sir George Grey returned to Wellington; subsequently he visited Nelson and Marlborough. While on this subject, it is not out of place to notice the very general regret expressed at Sir George Grey's retirement from the Government of New Zealand. Although his term of office had expired, few dreamed that he would be recalled, so thoroughly identified had his name become with the Colony. Rightly or wrongly, it was felt that the manner of Sir George Grey's recall was at least wanting in consideration for the many distinguished services he has performed, and his untiring devotion to the advancement of colonization. His name is inseparably connected with the history of New Zealand, and he retires from its Government with the respect due to one who has done much to advance its prosperity. Sir George Grey's successor is Sir George Fergusson Bowen, who has been Governor of Queensland during the past six years, and who, in that capacity, has displayed firmness, tact, and discrimination under trying circumstances.

As the first attempt at federal action on the part of the Australasian Colonies, the Postal Conference held at Melbourne during the month of March deserves more than a passing notice. The Conference was suggested by the Imperial authorities, who expressed their desire to aid in the establishment of a more complete postal scheme of communication with Britain, provided the colonies were unanimous in recommending it. The Conference met on March 4. In all, six colonies were represented—Victoria, New South Wales, South Australia, Tasmania, Queensland, and New Zealand. The delegates from the latter were the Hon. Mr. John Hall, Postmaster-General, and Mr. Crosbie Ward. The deliberations of the Conference terminated on March 20, and the scheme agreed on included three services—by Suez, Panama, and Torres Straits—at an estimated annual cost of £400,000, half of which it was expected the Home Government would contribute. But after events have proved unfavourable to the scheme recommended by the Conference. The Victorian Parliament, ostensibly on the ground that Sydney was made the terminus of all the routes, refused to ratify the agreement entered on by the delegates of that colony, and thus the unanimity insisted on by the Imperial authorities was destroyed. It has subsequently transpired that the Chief Secretary of the Post-office Department in England has reported unfavourably on the postal scheme agreed on by the Conference.

The annual session of the General Assembly was opened on July 9, and lasted till October 10. For many reasons, it was by far the most important in the history of the colony. Before proceeding to discuss the principal measures dealt with by the Assembly, it is necessary to glance shortly at one event which occurred during the recess. A very large majority of the people of Otago elected as their Superintendent a gentleman who, some years ago, was adjudged unworthy to hold the same office, and was accordingly removed by order of the Governor. It is not necessary to allude farther to the circumstances of Mr. Macandrew's dismissal from office; it is enough that he was dismissed, and that he was again elected by the people of the province. The General

Government could not altogether approve of Mr. Macandrew as Superintendent of Otago, and they determined on a course which, while it marked their disapproval, did not interfere with the choice of the people. They refused to delegate to Mr. Macandrew certain powers under the Goldfields Act, which, as Superintendent, he was entitled to exercise, and virtually transferred their management to the central authority. The people of Otago were naturally indignant, and for a time the "Otago difficulty" occupied a considerable share of public attention throughout the colony. Extreme measures were freely canvassed, but prudent counsels prevailed, and the question was referred to the General Assembly. It was the first important subject dealt with when the Assembly met, and the Government effected a compromise, by which—although such was not distinctly declared—the withheld powers were to be conferred on the Superintendent of Otago. This has since been done. Many who were not prepared to recognise Mr. Macandrew's fitness for the office of Superintendent were still less prepared to endorse the action taken by the General Government. They recognised in it an attempt against the independence of the provinces, and they did not fail to remember that Mr. Stafford, at the close of the session in 1866, announced the intention of the Government to bring in a measure which, it was suspected, would aim at the same object more directly. During the recess no subject had been more canvassed by those who take an interest in politics than the probable policy of the Government with regard to the outlying Provincial districts, and when, at an early period of the session, it became known that a Local Government Bill would be introduced, its general scope and provisions were eagerly looked for. In due time the Bill saw the light; and contrary to general expectations, the Government declined to stake their existence on its success. It was rejected by a large majority. Later on in the session, the question of Local Government was again brought up, and the province of Canterbury virtually dismembered by two Acts which received the sanction of the House. The outlying district of Timaru had been for years discontented with the treatment it had received from the Provincial Council, and when the Local Government Bill was thrown out by the General Assembly, an active party of local politicians commenced an agitation with the view of securing some of the advantages which they professed to believe would have been secured to them by that Bill. The result was the passing of the Timaru and Gladstone Board of Works Act. By this, the district south of the Rangitata, and including the five Road Board districts of Timaru, Waimate, Levels, Mount Cook, and Geraldine, was constituted a Central Board, each retaining its individual existence, and endowed with twenty-five per cent of the land revenue raised within its bounds. In addition to this, a portion of the unrealized Canterbury debentures—£30,000—was allotted to the district, to be expended on certain specified works. This Bill was strongly opposed in the House by Mr. Moorhouse and a few of the Canterbury members, mainly on the ground that it established the right of the General Government to interfere in the disposal of the land fund of the province, and because it was applying to one province a principle which the House had refused to sanction in the case of the whole Colony. The Timaru and Gladstone Bill had barely passed through all its stages, when the House was informed that the district of Westland, including all that portion of the Province of Canterbury lying to the westward of the dividing ranges, was to be dealt with in much the same way. The inhabitants of the district, or a portion of them, had petitioned the General Assembly for separation from Canterbury, on the plea that their interests were neglected and ignored by the eastern half of the province. The conduct of Mr. Stafford in connection with this subject deserves to be placed on record. He at first proposed to refer the petition of Westland to a Select Committee of the House. The Committee was appointed; but, before it had given in any report, Mr. Stafford asked leave to bring in a Bill constituting Westland a County, and granting it a local Government. Notwithstanding this unconstitutional and unparliamentary method of procedure, the Bill was carried through all its stages, and became law. It grants to the district a Central Board, composed of nine members, eight of whom are elected, and one—the chairman—nominated by the Governor. The machinery of Government is actually the same as that of the Provinces, under another name, with this difference—the Chairman of the Board, or Superintendent as he may be called, is nominated by the Governor, instead of being elected by the people, and all the revenues of the district pass through the hands of the Colonial Treasurer. It cannot be said that either of these Bills has given satisfaction to those whom they affect. The districts outlying from Timaru have expressed themselves as opposed to the Timaru and Gladstone Board of Works Act, alleging that under its provisions they will be in a worse position than before, when they were entirely dependent on the Provincial Council. On the West Coast, the Greymouth district, an important part of the new County of Westland, has not ceased to agitate for annexation to Nelson. While the Bill was passing through committee Mr. Moorhouse, who was placed in an awkward position by being the representative of Westland in the House, and of the whole of Canterbury as its Superintendent, managed to carry an amendment, declaring the new County liable, in proportion to its Customs revenue from year to year, for the debt incurred by the Province of Canterbury. The scheme of finance advanced by the Colonial Treasurer included two im-