

How British?

LOCAL GOVERNMENT IN NEW ZEALAND TO c.1930



ONE OF THE ABIDING THEMES of New Zealand history is state centralization. The abolition of the ‘provincial system’ in 1876 has served as the most convenient starting point of the expanding state, which, ‘unitary and centralized’, took on a major entrepreneurial role of funding and organizing colonization and in time projected itself into most areas of society and the economy. According to Michael Bassett, New Zealand in 1876 ‘abandoned the possibility of a decentralized structure’. Raewyn Dalziel, too, has regarded Vogel’s development programme of the same period as establishing the ‘New Zealand tradition of state involvement’.¹ The idea of the country’s state formation as more or less continuous, unabated centralization has been well and truly planted. The idea is the stronger because in this narrative Vogelism is depicted as soon being followed by a Liberal government that provided a fresh injection of centralization. David Hamer, in particular, has made the very word inseparable from the Liberals.² If not this, think Liberals and New Zealanders think ‘state experiments’, cheerfully succumbing to the national vanity initiated by the chief ideologue of the Liberals when he offered the enlightened policies of the Australasian colonies to the rest of the world.³

The focus on centralization in New Zealand historiography is interesting because the British state in the nineteenth century, and into the early twentieth century, was running a very different course. The model of state development that Britain followed conferred the greatest possible measure of self-government on the localities. When tensions developed in the later nineteenth century over whether local government was sufficiently responsive to national needs and social change, the solution preferred was to provide lavish financial aid and reorganize the system so as to provide territorial units of greater functional responsibility and capacity. More and more, in fact, was demanded of local government. Its share of total public expenditure increased from 38% in 1890 to 47% in 1913 in spite of heavy outlays on defence and welfare by the central state.⁴ That Britain’s ideas and experience were totally lost on its New Zealand colony is hard to credit. Indeed, in J.G.A. Pocock’s global ‘British world’, it is much easier to imagine the transfer of British governing institutions and the subsequent re-working of the central–local duality in the different circumstances of a different place. The history of the New Zealand state as the rise and rise of central authority might be taken as one product of an autochthonous New Zealand history.⁵

The very terms that have found their way into British historiography — ‘municipal state’, ‘county community’, ‘local state’, ‘parish state’ — indicate the ideological breadth and functional depth of local self-government. This does not mean that Parliament was not the leading institution of the nineteenth-

century state. With the supremacy of statute law, it most certainly was.⁶ But Parliament in its relationship with the localities existed less to control than to empower them; the permissive clauses included in the domestic legislation of the time are notorious, Parliament being quite unable to give up the idea that the localities themselves were the best judges of their situation. In the same way Parliament spent an immense amount of time dealing with local bills put up to authorize specific local projects.⁷

In nineteenth-century Britain the intrusion of central authority into the localities was halting and circumspect, a series of small steps that became more confident after 1870 as large Exchequer grants were made to fund local activity, especially in education and health, backed up, crucially, by central inspectorates. A more subterranean development, and probably more important, was the steadily accumulating amount of 'national' information available to both central and local government, the kind of information that enabled the one to work towards national norms and uniformity and the other to compare performance across the country and find models for action. Local government operated within an increasingly sturdy national framework of financial provision, legislation, court decisions, professional knowledge and party politics.⁸

Even so, whatever intervention occurred, local self-government was invariably the principle against which any centralist initiatives were tested. In the organicist account of the British nation state, which held overwhelming authority during the nineteenth century, the parliamentary constitution could be traced back to the representation installed in local institutions since Saxon and medieval times. Local self-government, then, was a key part of the nation's story, and helped explain how freedom and stability down the centuries had prevailed over oppression and revolution.⁹ The contrast was drawn with Continental Europe where centralization, with its bureaucratic officialdom and bureaucratic uniformity, was believed to have subdued or even destroyed local citizenship.¹⁰

Victorian local government came to be exclusively based on the elective principle that elevated participation, representation and community as political values and was seen to endorse the liberty that distinguished the British state. Elected county councils replaced the authority of the magistracy in the counties in 1888. The local commissions, trusts and boards that proliferated in the late eighteenth and early nineteenth century, and whose members held power by statutory appointment, gradually had their jurisdiction transferred to, in the main, town councils. But the outstanding reform — 'revolution', some have called it — occurred with the passing of legislation in 1833 (Scottish Burgh Reform Act) and 1835 (Municipal Corporations Act) which did away with the closed, self-perpetuating oligarchies that controlled town governments.¹¹ The new municipal bodies in England (Scotland was somewhat different) were not given wide-ranging powers, nor did they include all towns. But their franchise provisions, extending to the general body of ratepayers, endowed them with a moral authority that cleared the way for an expansion of their functions and power.¹² The boards of guardians that administered the New Poor Law (1834) were similarly elective. Local self-government in the Victorian period came to be predominantly defined through these ratepayers' democracies.

This is a good point at which to return to the New Zealand case. Britain's municipal model of local government was taken to be the 'foundation and nucleus of the system of representative government' that imperial policy was now directed towards.¹³ Magistrates acting as local administrators existed only as a stop-gap measure in New Zealand. Nor were appointed commissions ever regularly employed as a substitute for elected authorities. A nice coincidence in New Zealand's history is that Lord John Russell, who as Colonial Secretary in 1840 instructed Governor Hobson on the government he should set up, had earlier been the Home Secretary who had seen the Municipal Corporations Act through Parliament. 'Promote as far as possible the establishment of municipal and district governments for the conduct of all local affairs', Russell told Hobson.¹⁴ A Municipal Corporations Ordinance duly followed in 1842. Its 82 clauses were largely lifted from the English Act.¹⁵ The practical difficulty was that the 'new' municipalities of the Act were untried in the colonial situation. The Canadian and Australian colonies had only vestigial, non-elective forms of local government under crown colony 'despotism'. In New Zealand local self-government was first effectively established as a 'provincial system' in which the centre resigned most law-making and administrative power to the localities. This was a quantum of authority that far exceeded anything that English municipalities possessed at the time. Yet the New Zealand 'constitution' of 1852 nevertheless adhered to the basic tenet of the Victorian state that centralization was 'artificial' if it unnecessarily interfered with local independence.¹⁶ Indeed, the provinces were fundamentally understood to be municipalities because of their subordination to the general legislature. In debate on the 1852 bill Sir John Pakington, the Colonial Secretary, denied that he was creating even a confederation: 'What he proposed would no more make little republics, than every city in this Kingdom was a Republic'.¹⁷

Such was the novelty of colonial self-government in the 1840s that the New Zealand arrangements were defended as a revival of the 'old English colonial municipalities' of the seventeenth century, particularly as found in New England.¹⁸ There, too, populations had been small and central authority weak and remote, yet self-governing townships had over time melded to produce impressively confident and liberal societies.¹⁹ But the American references amounted to little more than an attempt to portray the history of empire as equally an evolution of 'British freedom'. To understand the real force of the municipal model, it is enough to go back to the Act of 1835. The broad purpose of that legislation had been to establish towns as political communities by enfranchising its numerous small property owners, thereby giving local self-government a popular base that would provide an effective authority against both the disorder of the poor and aristocratic corruption. The political need to strengthen the legitimacy of urban government, along with the other formal concession of citizenship to middle-class householders that the Reform Act of 1832 implemented, set in motion a process of democratization in which the test of the political system became its inclusiveness. The social outcomes of municipal reform in 1835 were even more important. Towns emerged that placed great value on self-government and fostered civic pride and enterprise. Their elites accepted that the leadership of local government mattered more to

the town's people than any participation in the aristocratic world of national politics.²⁰

A successful model of local government was therefore established, successful in that it strengthened the principle of self-government through popular representation and the social opportunities this opened up. After 1835 boards, commissions and magistracies filled by appointment steadily succumbed to elected bodies, though it was as late as 1888 before county government was remodelled in this way. It is important to remember that the seminal period of constitution-making in New Zealand, 1840–1876, followed hard on the heels of the Municipal Corporations Act. In Wellington the New Zealand Company famously set up their 'little Republic'.²¹ Hobson's ordinance of 1842 and the Constitution Acts of 1846 and 1852 all provided for the ongoing creation of municipalities. Settler demand for local self-government through elected councils was insistent, vitiated only by concerns that the first priority was to secure an effective representation at the centre in order to protect the localities against undue interference or neglect from above. 'Without [incorporation] we shall be like Canada, unable to act for ourselves, and be neglected by those who have power to act for us'.²² Neglect, not centralization, was the real fear because the largest settlements — Wellington, Nelson and Otago — were in the south, far away from Auckland, the capital. This pressure on the colonial government to produce an elected or partially elected legislature can be read as a desire to replicate the British situation where Parliament provided a legislative framework for local government and used its sovereignty for particular local purposes when called upon but otherwise left the localities to conduct their affairs as they knew best.

The 'provincial system' of 1852–1876 splendidly fitted this conception of the structure of the state. The provincial constitutions, too, were akin to the new municipal constitutions of Britain in basing local self-government on councils elected on a wide franchise and connected with a defined locality: the six original provinces deriving from the six earliest settlements provided the only substantial local identities at the time. The elected local body became the standard form in New Zealand. They were very numerous: a return of 1892 counted over 2000, half of them local school committees.²³ Even during the provincial period a layer of local government under the councils was always envisaged as local populations expanded and became capable of self-government. The provinces gained specific authority to constitute boroughs and road districts. The crown exercised its power to subdivide land blocks into hundreds under elected wardens as one way of promoting settlement by small farmers. George Grey, for one, thought the hundreds could evolve into 'important municipalities'.²⁴ Town boards, reminiscent of the old urban improvement commissions in England, were installed in Dunedin (1855), Nelson (1858), Christchurch (1861), Auckland, Oamaru (1862), Wellington (1863) and Timaru (1867). The Municipal Corporations Act (1867), another close rendition of the British Act of 1835, allowed quite small places to petition the crown for municipal status. By the time the provincial governments were abolished in 1876, there were 36 boroughs in the country. But these were easily outnumbered by the 314 road districts under elected boards that the provinces had created to undertake public works in rural areas.²⁵

The secessions of Southland, Hawke's Bay, Marlborough and Westland to form separate provinces are well-known, but powerful separatist voices were also heard in Wanganui, Wairarapa, South Canterbury and North Otago. When a Local Government Bill was tried in 1867, and a Road Districts Bill the following year, about 40 places petitioned in favour of 'local self-government' generally or county status for themselves.²⁶ No doubt hopes were excited by the formation of the 'county' of Westland in 1867 because that provided a model for meeting local needs through a council that was quite independent of the provincial government.²⁷ Nevertheless, self-government petitions were common both before and after 1867–1868, with provincial governments also the recipients.²⁸

The central government's nod in favour of 'new' provinces and its promotion of municipalities and counties has invariably been understood as part of the 'centralist' versus 'provincialist' struggle.²⁹ The major difficulty with this argument is that provincial governments also had a hand in establishing local bodies, especially the very numerous roads boards. What needs to be emphasized is that every locality assumed and readily made itself heard on the importance of its own public works. This was the most obvious local manifestation of rapid and relentless colonization.³⁰ Localities lived mainly for themselves, to see their patch properly settled and given the trappings that a decent life required. Any wider strategy of development promulgated from above, whether by central or provincial government, rubbed hard against this reality; during the decade of Vogel's railway-building, 1871–1881, roads and bridges perhaps accounted for over a third of total public expenditure, spending that occurred mainly due to local demand and under local control.³¹ The proliferation of roads boards is thus explained by the access to finance, whether rates, subsidies or loans, available to a properly constituted local authority. For the same reason, 'outlying districts' ('out and out lying' districts, said some³²) constantly complained of neglect. In New Zealand, as in Britain where improving urban conditions was the priority, local self-government was the way to secure local control of development. Nor is it contradictory that some towns in both countries were wary of municipal status. In England as late as 1879 only 62 boroughs and cities had been incorporated since the passing of the Municipal Corporations Act in 1835.³³ Auckland and Wellington virtually had self-government thrust upon them. Urban development raised issues of rating and political control. Town governments were expected to support themselves out of the rates, and that could be disliked. But there was also a fear that a democracy of ratepayers would embark on a course of extravagant schemes affordable only by heavy taxation of the rich.³⁴

Localism, then, developed strongly during the provincial period. By 1876 the country was well enough stocked with local bodies to make the abolition of the provinces of little account in terms of local government; the new counties of the Counties Act (1876) largely traced the map of existing road districts, incorporating them in their territories without necessarily extinguishing them. This in itself was an acknowledgment that local bodies had been created as localities had demanded them. Localism was indeed a force that both centralism and provincialism chose to accommodate, even empower, rather than attempt to master.

But the question is whether or not this situation continued; whether or not, contrary to the centralist assumptions historians have been happy with, local government after 1876 followed much the same trend as in Britain, with its independence and growing importance conceded and promoted by the centre. If the end of the provinces was the triumph of centralism it is said to have been, then the course of New Zealand's state formation must have been fundamentally different from Britain's, at least up to World War I. Centralization in Victorian Britain was contained by a strong popular bias against aristocratic government seen as all too prone to extravagant expenditure and corruption and by an equally strong nationalistic bias against the bureaucratic, all-intrusive state as 'despotic' and 'foreign'. There was a certain suspicion of public authority of any kind, but local self-government was seen to have good historical credentials, a democratic validity that Parliament lacked before the Reform Act of 1884 and respectability as a form of public service. Further, it embraced the common sense principle that local problems were better tackled locally than by outsiders.

Of course, the immensity of the social problems an industrializing and urbanizing Britain faced determined that the relationship between local and central authority could not stand still. The central state probed local independence with inspectors, investigations and legislation that set out general expectations. In a few instances — most notably, prisons — local authorities were relieved of all responsibility. From the 1870s grants-in-aid funded out of central taxation increased rapidly, especially to support the policing, health and education services that local councils administered. Yet, on the whole, these were always limited invasions. The local state entered the twentieth century with enhanced rather than diminished importance. Its area of responsibility had greatly expanded — an expansion often captured by the term 'municipal socialism' — and public authority was, to a significant degree, consolidated in the counties and boroughs in place of the old, single-purpose boards. Local self-government remained a principle that was very difficult for central politicians to find their way around. World War I finally shattered this equilibrium. The staggeringly novel regulation of so many aspects of civilian life that it brought about drastically changed the terms on which central and local authority negotiated.³⁵

In New Zealand, after the provinces had gone, the principle of local self-government lived on, to be invoked especially if Wellington was seen to be taking an advantage. At the first conference of the Counties' Association in 1894 one speaker complained that abolition had offloaded too much power on to central government and asked for the 'barrier of local self-government' to be raised anew. As late as 1921 the Department of Health's interest in nationalizing the hospitals provoked a stout defence of 'Local-Body Control' as 'firmly implanted in the British mind'.³⁶ Such declarations, of course, could be read in different ways. They could be seen as registering the impressive growth of the central state at the expense of the localities or as indicative of an entrenched localism acutely sensitive to outside interference. British observations at the time on New Zealand's system of government are few; and these are considered to have been admiring of the 'state experiments' of the

Liberal era. But such praise came from those who at the time were pushing a particular political agenda for social reform.³⁷ It is more useful to recall what Sidney and Beatrice Webb found when they visited New Zealand in the course of a world tour in 1898. For a start, they took more interest in local government than in the Liberal state, not surprising given that municipal independence was central to their idea of a socialist commonwealth. The sum of their comments was not that New Zealand was setting a good example of centralization but that the potential of local authority was not being sufficiently realized thanks to inadequate rating power, inefficiencies of scale and lack of democratic legitimacy because of franchise restrictions and limited public spirit. In other words, the Webbs, far from being 'statist', applied the British model of unified sovereignty but powerful localities.³⁸

Seddon, the Webbs discovered, was a local government reformer. Between 1895 and 1898 Seddon produced four different bills in an attempt to carry a sweeping reorganization of a system that had spawned, he said, over 550 bodies. His first bill would have dissolved all existing local bodies (12 named municipalities excepted) and loaded their responsibilities on to about a quarter of the number. As the scheme was described to the Webbs, it would have merged all but 'the Board of Education and the Harbour Board into a single elected Council for each area, a large County in rural districts, and a Borough elsewhere'. 'The bodies that remain', the bill's preface read, 'will have larger powers, with assured finance, and direct responsibility for all local expenditure'.³⁹ Eight commissions elected by the local bodies in, roughly, each of the old provinces, were to decide on the amalgamations. If there was a centralist agenda here, it can be found only in the desire to reform on a national scale and with national effect. Otherwise Seddon was all too clearly beating a British path of local empowerment. The hard choices were to be made by the localities themselves. As in the Britain of the time, so in New Zealand: the counties and municipalities were to absorb other local agencies, more generous central funding was to be provided with a change from rates subsidies to capitation grants, and local authority was to have stronger democratic credentials by being based on an electorate of occupiers rather than ratepayers, virtually a residential franchise. 'In view of this improved representation, the powers given by the Bill to the council are wider and less restricted or qualified than has been the case in the past.'⁴⁰

Seddon, in fact, as early as 1886, had condemned the 'present multiple local government' and come out in favour of 'one comprehensive system'.⁴¹ Even then, he was not the first to be concerned about the vitality of local bodies. The onset of economic depression coincided with the inauguration of the county and borough system in 1876 and enforced a long period of reduced finances, including government grants and subsidies. When the first cutbacks had been made Harry Atkinson, as Colonial Treasurer in 1882, felt it necessary to enunciate three 'principles' of local self-government: 'First, that the local bodies should be left as free as possible from central control; second, that they should have conferred upon them all powers which can be advantageously exercised by such bodies; third, that their finances should be as distinct as possible from the colonial finances, and that their revenues should be sufficient'.⁴² In these

hard times, opinion steadily came round to the view Seddon espoused, that larger units were needed to provide local government with a secure financial base. In 1889 a select committee canvassing the idea of 'some new system of local government' concluded that for 'decentralization' to be effective the existing number of local bodies had to be pared down to the 'four large cities' and not more than 16 other 'districts'. Another select committee the next year repeated the demand for 'big' local government, specifically mentioning the takeover of 'Hospital and Charitable Aid Boards, Education Boards, Land Boards, Licensing Committees, Stock Department, etc'.⁴³

In 1912 Sir Joseph Ward followed Seddon's example and attempted another radical reform of local government. The two schemes of empowerment make it impossible to regard the Liberals as out and out centralists.⁴⁴ Ward had been preparing a plan of reform since 1910, and what he proposed interestingly revived the idea of 'provincial councils' a generation after their ignominious end.⁴⁵ Ward's provincial councils — 24 were suggested — were actually a form of regional local government, though essentially different from the original article in that they would possess no independent legislative power. But they would have relegated all other local bodies — those that survived the reorganization — to insignificance. Ward had observed that many functions of local government — he named hospitals, charitable aid, public health, education, harbours, main roads and bridges, rivers and drainage and water supply — overlapped county and borough boundaries, and considered that these were more effectively assigned to the 'province'. This was a sure recipe for functional expansion at the expense of other councils. Moreover, directly elected, the provincial bodies were to have effective representative authority as well as rating and borrowing powers and an entitlement to government subsidies. Ward, in common with Seddon and indeed the select committees of 1889 and 1890, clearly wanted a larger perspective than the merely local to prevail.

In Britain at the time there was the same concern that the localization of local government had gone too far. Ward's plan, in particular, resembled Britain's Local Government Act of 1888; for this, having placed county administration on a representative basis, established the county council as the first tier of local authority, superordinate over the rest with the exception of a few large municipalities given distinctive status as 'county boroughs'.⁴⁶ Not only was the county given powers of interference over what had become key matters of local government — highways, hospitals, police — but also a power to tax and borrow for 'county purposes'. The attempts being made in both Britain and New Zealand to establish 'big' local government were seen as a way of fitting needs more rationally to means. Existing authorities were often too local in their focus and too under-resourced to be able to deliver effective and economical service, especially as social change and national development imposed new demands on local government. Main roads were a case in point in either country. These were increasingly valuable regional and national assets to build, but in the local setting local servicing was likely to be the greater priority and funding, anyway, was very limited. The local could be equally paralyzing when it came to local responsibility for matters of national importance such as

education, public health and poor relief. Ward was trying to buy into a trend, initiated with the poor law unions of 1834 but more pronounced after 1888, for local authority to be consolidated around bodies that struck the right balance between representation and efficient administration.

Ward failed miserably, as had Seddon. Ward's plans collapsed with the fall of the Liberal government, the ministry's weakness in its last days only encouraging opposition from local bodies. All that Seddon was able to salvage from the wreck of his own reform was the abolition of plural voting in the boroughs and its modification in the counties.

The history of local government in New Zealand is invariably read as the unavailing efforts of reformers against small-minded, self-interested parochialism.⁴⁷ But this runs the risk of imposing a value judgement on the past by assuming public benefit lay on one side of the question. Since local government was considered to be founded on the principle of local self-government, the key point is how this idea was understood. In New Zealand, as in Britain, parliamentary 'despotism', the supremacy of parliamentary law, meant that the legal defences of local autonomy were frail in the extreme; 'representative centralism', indeed, has been accused of 'entombing local liberties' because the doctrine of the sufficiency of Parliament was never seriously challenged by any doctrine of the rights of localities, communities and sub-cultures.⁴⁸ The relationship between centre and localities thus rested on practicalities, which of course made it endlessly negotiable. The centre was constrained by its bureaucratic inadequacies but more so by local consent and the representation of 'community interest'. The localities came under pressure when it could be shown that there was an important larger interest than theirs to consider or when the money or efficiency costs of independence were too high.

The subdivision of New Zealand local government into small-scale authorities is often remarked upon. Yet in Britain the same sensitivity to local representation and identity existed. Counties became subdivided into urban and rural districts and municipalities that lacked the full independence of county boroughs. In 1894 parish councils were instituted as a way of bringing a measure of self-government down to the level of the village. Though the Education Act of 1902 abolished 2560 school boards, it replaced them with 350 local education authorities, hardly a draconian measure of centralist rationalization.⁴⁹ Britain's experience emphasizes all the more that the central-local government relationship makes little sense if it is examined only in the context of the 'rise and rise of the central state'. Local authorities and their ratepayer democracies must be understood as possessing a range of resources that enabled them to bargain from a position of strength; chief among them were the ideological (self-government and democratic representation as revered values), the financial (powers of taxation), the political (influence at the national level) and the professional (expertise of their own). The relationship, indeed, has been described as a 'game', attended with much confusion and full of complexity as contending parties strategized and played for advantage. But in the last analysis central and local government depended on each other so that centralism at its most assertive still had its limitations.⁵⁰

Such complicated and contingent operations make it no surprise that the

outcome was not the same in New Zealand as in Britain. In New Zealand the state could be said to have surrendered to small-scale localism and functional fragmentation; or at least proved incapable, as Seddon and Ward amply demonstrated, of enticing local government to enter into a more consolidated system. New Zealand set the balance between representation and efficiency in local government strongly in favour of representation, which may make it a curious case among the settler colonies. Britain's example, anyway, was not followed. Nothing equivalent to county government post-1888 eventuated, though New Zealand politicians of different stripes clearly accepted the model of territorial authorities responsible for most of the key areas of domestic policy.⁵¹ Their failure left education, charitable aid and hospitals in the hands of 'single subject' boards. These formed powerful enough interests but never possessed quite the same staying power as the all-purpose county councils in Britain. The difference was not that education and welfare in New Zealand were dependent on central funding and produced a bureaucratic drive for greater uniformity and higher standards of administration and professional service; in both countries this was the case. The difference was the weakness of the New Zealand boards as representative bodies. For a long time they were vulnerable as much from below as above. Not directly elected in the way other local bodies were, and responsible for large districts, they had a tough time dealing with the localism of their populations.⁵² The number of hospital boards and charitable aid and hospital boards increased from 28 in 1885 to 59 in 1905; within a few years of the passing of the Education Act of 1877 the ten original education boards had become 13.⁵³ These figures conceal numerous attempted or mooted secessions.⁵⁴ Local places wanted their own hospitals and control of them; they resented paying levies for the support of the poor and sick outside their area; and their school committees kept the appointment of teachers and the expenditure of board grants effectively in their own hands. Boards thus often appeared as middlemen who represented no one but themselves.⁵⁵

The conclusion to come to is that the excessive localism of local government in New Zealand was because for local bodies the provision and maintenance of local infrastructure — roads, schools, hospitals, domains, cemeteries, public utilities — turned out to be their be-all and end-all. Whatever bigger ideas for local government central politicians had, they battled in vain against the understandable but consuming self-interest of settlers (town-dwellers included) that the development of their locality have priority. Perhaps 'progress' in any settler colony produced these politics. However, there are elements in the New Zealand situation that suggest that the local competition for scarce resources had special intensity. The rugged topography of much of the country made roading and bridging costs high, and indeed development costs generally.⁵⁶ Land settlement based on moderately-sized farms, as opposed to 'ranches', and the very rapid growth of urban centres required heavy investment in infrastructure. The pace and timing of New Zealand's settlement was probably critical, for the demand for resources was concentrated in a relatively short period and included the last third of the nineteenth century when interest rates were trending upwards; the 'long depression' of the 1880s drove the average rate on local government debt as high as 6%.⁵⁷

Local bodies were caught in a particular bind. If their revenue was insufficient, they could borrow; but as loans were secured on the rates a small rating base made them the victims of their own underdevelopment. None had land endowments, passed on from the provincial period, valuable enough to compensate, not even in Canterbury where the largest transfers had occurred. Neither was a post-provincial transfer of crown lands of any significance ever made, though many local bodies recommended this as one solution to their problems.⁵⁸ Another solution was increased government subsidies. The New Zealand history of rates subsidies is interesting. As a proportion of total revenue they rapidly diminished rather than increased, never recovering from the cutbacks made in the difficult 1880s. At first they contributed over one-third of total revenue, but averaged only 23.1% in the 1880s, 11.3% in the 1890s, 7.2% in the 1900s, 4.6% in the 1910s and 2.5% in the 1920s.⁵⁹ Local government finance came to be described as a 'process of evolution from a state of semi-dependence on the General Government to a stage where [with some exceptions] all expense is borne locally'.⁶⁰

By 1930 local government accounted for slightly under half the total public revenue and expenditure.⁶¹ This figure does not include education boards and hospital boards which depended almost entirely on central government grants and were by this time subject to major bureaucratic interference. The financial independence of much local government needs to be emphasized because it again serves to subvert the centralist bias of New Zealand history writing. Subsidies and grants for works, such as they were, went mainly to counties and road districts as areas of underdevelopment; even then these decided the allocation of central funds to particular projects. Borrowing was equally left to local decision. The largest borrowers were the harbour boards and the larger municipalities which had the assured revenue to raise and service loans. By the 1890s harbour boards and boroughs accounted for 95% of local body indebtedness, with most of the debt held overseas. The total amount of local body debt increased about 750% from 1881 to 1914; in the same period central government debt increased by only 236%, though, of course, from a higher base figure. Surprisingly the trend continued: local body debt trebled again up to 1931 (when a long-term reduction commenced), but this still equalled the growth of central government debt that had mainly swelled because of World War I.⁶² The figures suggest that it was only the depression that imposed restraint, though the government had earlier responded to its obviously ineffective control by setting up a Local Government Loans Board in 1926 to screen loan proposals.

It was, of course, the growth of revenue from rates and other sources that mainly sustained local body finances. At first rating was less than efficient mainly because of weak administration, including valuation procedures. Rates provided over 40% of revenue by the 1890s from a starting figure of about 30%. Other income, apart from loans, came from other local charges, such as publicans' licences and dog registration, and from monies assigned by statute to local bodies as a share of payments made to central government.⁶³ Wellington showed every inclination to protect and increase local revenues, especially in review of local situations. Legislation in 1882 provided for the

crown to pay rates on crown and Maori lands, which particularly helped out those counties with small areas of European settlement. In 1893 12, mostly Northland, counties were permitted to introduce vehicle registration to raise additional funds for roading. In 1927 a share of the proceeds of the petrol tax was diverted to large towns to pay for the construction and improvement of roads. These other sources of revenue always contributed more than rates, and their yield increased hardly less strongly.

It was the dependence of localities on their own resources that produced 'local government at the ratepayers' command'. The phrase is an advised adaptation of David Eastwood's description of the British local state in the nineteenth century as 'local government at parliament's command'.⁶⁴ For in New Zealand, while all happened under the umbrella of Parliament's authority, local bodies and their ratepayer constituencies exercised their freedom of action to a remarkable degree. The power of ratepayers, in particular, was concealed by the usually low turn-out at the annual elections and statutory annual meetings. The issues of greatest importance originated out of ratepayer petitions or were decided by special polls of ratepayers. Loan polls were instituted under the Municipal Corporations and Counties Acts of 1876 and were extended to roads boards and river boards by the Roads and Bridges Construction Act (1882) and the Government Loans to Local Bodies Act (1886). Vogel pushed through the latter out of a concern that 'ratepayers should decide on works and where they agree to go ahead finance should be provided on liberal terms'.⁶⁵ Petitions were also a formally recognized procedure set out in various Acts. Provided they carried the requisite amount of support, they set in motion the secessions that formed new authorities, the provision of wards, ridings and road district subdivisions, the adjustment of boundaries, the levying of special rates and adoption of rating on unimproved value. Outside statutory requirements much local body business was inaugurated by ratepayers' petitions to local councils. Petitioning became the basic expression of local self-government, and it is not surprising that it also impinged hugely on central government and politics, perhaps to the extent of being the leading feature of the colony's political culture.

The real locality that emerges out of this history is the 'district', usually capable of providing for itself, if it did not constitute its own local body, by petition, representation on the local board or council and special borrowing and rating arrangements. Local government subdivided and also consolidated as districts, or combinations of districts, decided where their best interests lay. The total number of these units remained about the same for the 40 years after 1876. The history of New Zealand local government as a history of continued fractionalization has been grossly exaggerated.⁶⁶ The points of fission were the town districts and boroughs that separated from counties and the counties themselves that divided. The points of conjunction were the road districts that were absorbed into counties and the boroughs that amalgamated to form larger urban units. From an early date the central government endeavoured to control this process but manifestly failed. It conceived its interests lay in opposing and even reversing proliferation. In 1886 Parliament laid down conditions for the creation of new boroughs and required new counties in future to be established

by special legislation. Boroughs and counties, too, could unite on petition of a majority of electors. Further, county councils could dissolve town boards and roads boards, again at the request of ratepayers. About the same time the provision of subsidies began to be changed to favour counties at the expense of roads boards in order to promote the dissolution of the latter; from 1885 the boards were paid at a lesser rate of subsidy than the councils.⁶⁷

However, Parliament lacked the nerve to impose tough conditions on local bodies or coerce them against the will of the ratepayers. In 1886 a place was deemed eligible for municipal status if it could raise the small sum of £250 in general rates. Even as late as 1920, with a new Municipal Corporations Act, only a population of 1000 was required. A serious attempt by the government to hold the number of town districts never succeeded.⁶⁸ Indeed, legislation in 1906 made it possible for the larger townships to become entirely independent of the county council. Loan and subsidy arrangements certainly kept road districts at a disadvantage but generally had the effect of persuading them to seek county status and therefore of subdividing existing counties. With Parliament's blessing, new counties regularly made their appearance — 15 alone in 1909–1911 when Selwyn and Ashley in Canterbury were balkanized at the behest of their road districts. An amalgamation of two distinct counties never occurred, though sometimes boundaries were radically re-drawn. Amalgamations typically took place in the four main centres where small 'suburban boroughs' sooner or later succumbed to the economies of scale that larger units could offer. Even then they were able to preserve some independence as wards (as road districts converted into county ridings also did) by reserving a proportion of their rates for their own use as they were entitled to do or, better still, by entering into a system of separate ward accounts. Behind the façade of the largest counties and municipalities, the little democracies of ratepayers continued to operate, as they operated everywhere else. Southland county, immense and wealthy though it was, held together only because its council avoided running up debt and made strict apportionment of its revenue to the ridings, containing very successfully the ire of ratepayers that their district was subsidizing others.⁶⁹

The self-interest of localities was incorrigible, uncorrected, as was the case in Britain, by any firm sense of national priorities. The British local state after 1870 was empowered for the most part to meet deep concerns about the efficiency, security and social cohesion of the nation.⁷⁰ These concerns about economic competitiveness, physical degeneration of the population and class conflict were comparatively insignificant in New Zealand. New Zealand was focused on settlement of the land, but especially on the building of communications to facilitate this 'opening up' of the country. 'The fate of entire districts depended on whether or not a road, railway, or bridge was built.'⁷¹ Railways were centralized by 1893. Roads and bridges remained almost entirely in the hands of local bodies and their petitioning localities until 1922, when Wellington set up main highways boards with local government representatives in an attempt to get agreement on roading priorities, at least at the regional level. In short, in New Zealand the main business of local government was public works, but the central government neither formulated an effective national policy in this area nor adopted the lesser role of becoming

an increasingly important paymaster. Local bodies acted for themselves with little accountability to any higher authority. The contrast is with councils in Britain that were increasingly subject to national requirements in different fields of government and generously subsidized to provide these services. Further, the localism of the New Zealand district was barely qualified at all by recognition of the interests of the larger area to which it belonged. County and municipal councils were kept in the thrall of riding and ward particularisms. Each council in its wider region also acted on its own, as the slow, totally uncoordinated development of main roads showed only too well.

If local government in Britain was susceptible to national demands, local and national politics were, by comparison, quite separate in New Zealand. Though high politics in Britain were dominated by an elite that generally remained outside participation in local government (once it became elective), strong connections with this ruling class were made through the local branches of national party organizations (after the 1867 and 1884 Reform Acts) and of national voluntary associations which, like local authorities, were middle class dominated. The connections became the stronger as women and workers entered into public service by the same avenues.⁷² Last but not least, the national context of local government was fortified by the establishment of the Local Government Board (1871), by local government associations and by professional bodies representing local government officials.

The New Zealand side of the story is less clear in our present state of knowledge. It would seem that New Zealand's political class was largely produced out of local government; in the Parliaments of 1900–1905, for example, about 75% of MPs were either members of local bodies or had served as members.⁷³ National party organizations that purveyed national politics to the localities were slow to develop; Seddon and Ward's Liberal Party lacked the cohesion of the parties of the future inside and outside Parliament and was particularly exposed at election time as a loose coalition of localists. Nor were voluntary societies the powerful partners of government in social policy that they were in Britain. Voluntarism in the colonial society was very weak, especially when it came to schools and hospitals and care of the aged, and it was probably only with the subsidies paid to the Plunket Society from 1907 that the voluntary sector began to be used seriously as an alternative to the state's own agency.⁷⁴ The absence of any office or department in Wellington specializing in local government business may speak volumes. The desire was that local bodies, efficient and empowered, would operate as much as possible on their own. The reality was that their routine business increasingly burdened the bureaucracy; though, directed as it was into 'Internal Affairs', the ministry of the miscellaneous, perhaps the thought was that something of the fiction could be preserved.

Any argument that resists the idea that centralization is the key development in New Zealand's state formation is hard to sustain for the period after 1930. Perhaps surprisingly, the 1920s were a period of impressive localization when local government taxation, expenditure and borrowing achieved faster than ever rates of growth. But the onset of the depression, the reforms and regulatory bent of the Labour government and the further impetus given to 'statism' by

World War II (a much greater state enterprise than World War I ever was) effectively relegated local government to the minor role usually assigned it. In a longer view there may be another disjuncture to consider. For the decline of the state since the 'revolution' of the 1980s can include the rejuvenation of local government that commenced with its sweeping reorganization in 1989. It may yet turn out that the period from the 1930s to the 1980s is aberrant in the history of the New Zealand state. Meanwhile we can observe the irony to which we are subjected by the centralization paradigm that currently informs that history. If New Zealand is held up as a model of enterprising, innovative centralism, the British state in European terms is conceived as exceptional for its decentralization. The truth is that local government in New Zealand retained a formidable strength against the centre well into the twentieth century, set solid in the case of the territorial authorities but everywhere no pushover for centralizers.

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NOTES

- 1 Michael Bassett, *The State in New Zealand: Socialism Without Doctrine?*, Auckland, 1998, p.66; Raewyn Dalziel, 'The Politics of Settlement', in Geoffrey W. Rice, ed., *The Oxford History of New Zealand*, 2nd ed., Wellington, 1992, p.104. See also Malcolm McKinnon, ed., *New Zealand Historical Atlas*, Auckland, 1997, Plate 51; Philippa Mein Smith, *A Concise History of New Zealand*, Melbourne, 2005, p.86.
- 2 David Hamer, *The New Zealand Liberals: The Years of Power, 1891–1912*, Auckland, 1988, pp.354–5; 'Centralization and Nationalism', in Keith Sinclair, ed., *The Oxford Illustrated History of New Zealand*, 2nd ed., Auckland, 1997.
- 3 William Pember Reeves, *State Experiments in Australia and New Zealand*, 2 vols, London, 1902.
- 4 P.J. Waller, *Town, City and Nation: England 1850–1914*, Oxford, 1983, p.264.
- 5 For an insightful view of New Zealand historiographies see J.G.A. Pocock, *The Discovery of Islands*, Cambridge, 2005, pp.3–23.
- 6 David Eastwood, 'The State We Are In: Parliament, Centralization and English State Formation', in Richard English and Charles Townshend, eds, *The State: Historical and Political Dimensions*, London and New York, 2006, pp.18–43.
- 7 John Prest, *Liberty and Locality: Parliament, Permissive Legislation and Ratepayers' Democracies in the Mid-Nineteenth Century*, Oxford, 1990. From 1800 to 1884 about twice as many local and private Acts were passed as public general Acts. David Eastwood, *Government and Community in the English Provinces, 1700–1850*, Houndmills, Basingstoke, 1997, p.159.
- 8 E.P. Hennock, 'Central/Local Government Relations in England: An Outline 1800–1950', *Urban History Yearbook*, 9 (1982), pp.38–49; R.A.W. Rhodes, 'Some Myths in Central–Local Relations', *Town Planning Review*, 51, 3 (1980), pp.270–85.
- 9 J.W. Burrow, "'The Village Community" and the Uses of History in Late Nineteenth-Century England', in N. McKendrick, ed., *Historical Perspectives: Studies in English Thought and Society*, London, 1974; James Campbell, *Stubbs and the English State*, Reading, 1989.
- 10 See the report of the Sanitary Commission, appointed in 1869, as summarized by Prest, pp.213–14. J. Toulmin Smith, in his polemic against Chadwick's General Board of Health, *Local Government and Centralization* (1851), maintained that 'centralization dissolves the bonds of society'.
- 11 Derek Fraser, ed., *Municipal Reform and the Industrial City*, Leicester, 1982, pp.2, 5.
- 12 *ibid.*, pp.6–8.
- 13 Great Britain, *Parliamentary Debates* (GBPD), 95 (1847), col.1004 (H. Labouchere, 13 December 1847). See also Lord John Russell, *ibid.*, 81 (1845), col.945: 'a municipal constitution might be a proper prelude to a representative constitution'.
- 14 Lord John Russell to Hobson, 9 December 1840, *British Parliamentary Papers: Papers Relating to New Zealand*, 3, Shannon, Ireland, 1970, p.148.
- 15 G.W.A. Bush, *Decently and in Order: The Government of the City of Auckland, 1840–1971*, Auckland, 1971, pp.23–24.
- 16 Gladstone's comment in the debate on the New Zealand Constitution Bill, 21 May 1852. GBPD, 121 (1852), col.961.
- 17 *ibid.*, 122 (1852), col.59.
- 18 *ibid.*, 81 (1845), col.951 (Sir Robert Peel, 19 June 1845); W.P. Morrell, *The Provincial System in New Zealand, 1852–1876*, 2nd ed., Christchurch, 1964, pp.33–34.
- 19 GBPD, 121 (1852), cols 953–8.
- 20 John Garrard, *Democratization in Britain: Elites, Civil Society and Reform Since 1800*, Houndmills, Basingstoke, 2002, pp.48–51.
- 21 G.M. Betts, *Betts on Wellington: A City and Its Politics* (ed. R.H. Brookes), Wellington, 1970, pp.21–22.
- 22 Samuel Revans of Wellington, quoted in *ibid.*, p.23. Wellington petitioned for incorporation in 1841, Nelson in 1842 and Dunedin in 1850.
- 23 *Appendices to the Journals of the House of Representatives* (AJHR), 1892, H-43.
- 24 Bush, *Decently and in Order*, pp.31–32.
- 25 Graham Bush, *Local Government and Politics in New Zealand*, 2nd ed., Auckland, 1995, pp.10–11.
- 26 Abstract of petitions, *Journal of the House of Representatives*, 1867–1868.
- 27 Morrell, *Provincial System*, pp.196–8.

28 *Papers of the Canterbury Provincial Council Held by National Archives, Christchurch*, Christchurch, n.d., pp.61, 67, 97, 129.

29 Mainly thanks to Morrell, *Provincial System*, pp.107–15, 190–206.

30 James Belich, *Paradise Reforged: A History of the New Zealanders From the 1880s to the Year 2000*, Auckland, 2001, pp.17–18.

31 W.J. Gardner, 'A Colonial Economy', in Rice, ed., p.72, cit. J.A. Dowie, 'Studies in New Zealand Investment, 1871–1900', PhD thesis, Australian National University, 1965.

32 'Local Government', *Evening Post* (Wellington), 5 September 1895.

33 J.R. Somers Vine, *English Municipal Institutions: Their Growth and Development from 1835 to 1879, Statistically Illustrated*, London, 1879, pp.21–27.

34 Bush, *Decently and in Order*, pp.64–65, 84–90; Betts, *Wellington*, pp.30–35. In Christchurch resistance to rating was led by a Ratepayers' Mutual Protection Society. See R.C. Lamb, *Early Christchurch*, Christchurch, 1963, pp.71–74. There was similar opposition to incorporation in Sydney, Quebec and Montreal. William Swainson, *New Zealand and its Colonization*, London, 1859, pp.285–6.

35 Philip Harling, *The Modern British State: An Historical Introduction*, Cambridge, 2001, pp.113, 133–41.

36 Coleman Phillips (Wairarapa South County Council), 'Upon the Present Condition of Local Government in New Zealand', AJHR, 1895, H-5, pp.10–15; Derek A. Dow, *Safeguarding the Public Health: A History of the New Zealand Department of Health*, Wellington, 1995, p.98.

37 Harling, *Modern British State*, p.131.

38 D.A. Hamer, ed., *The Webbs in New Zealand, 1898: Beatrice Webb's Diary with Entries by Sidney Webb*, 2nd ed., Wellington, 1974, pp.18–20, 45–49. Note Hamer's comment that the Webbs may have been 'too obsessed with the subject of local government and failed adequately to consider the historical reasons for the predominance in a pioneering community of "State socialism" over "municipal socialism"' (p.10).

39 *ibid.*, p.48; Local Government Bill, *Bills Thrown Out*, 1895, preface, p.i. Joseph Ward as Colonial Treasurer signalled a 'large and comprehensive change' in July 1893, the ministers no doubt encouraged by a resolution for a reduction in the number of local bodies passed by a conference of county councils in April 1892. 'Resolutions passed at a Conference of County Council Delegates', Cook County Council Papers, Box 3, Tairarawhiti Museum, Gisborne; AJHR, 1893, B-6, pp.19–20.

40 Local Government Bill, *Bills Thrown Out*, 1895, preface, p.ii.

41 *New Zealand Parliamentary Debates* (NZPD), 54 (1886), p.308.

42 AJHR, 1882, B-2, p.vi.

43 *ibid.*, 1889, I-9; 1890, I-9.

44 For example, see G.W. Russell at the Local Government Conference in 1912, AJHR, 1912, Sess. II, H-14, pp.6–13.

45 NZPD, 157 (1912), pp.37–39; Local Government Bill, *Bills Thrown Out*, 1912. In August 1910 the Counties' Association asked for a copy of the bill for 'confidential consideration' but was declined. Counties' Association, executive's minute book 1895–1923, 3 August 1910, New Zealand Archives, Wellington (Acc. W3467).

46 Waller, *Town, City and Nation*, pp.246–7.

47 Report of Local Government Committee, AJHR, 1945, I-15, pp.1–10, 147–9; W.B. Sutch, 'Local Government in New Zealand; A History of Defeat', in R.J. Polaschek, ed., *Local Government in New Zealand*, Wellington, 1956, pp.12–43; 'Inquiry Into the Structure of Local Government', AJHR, 1960, I-18, pp.95–109; Bush, *Local Government*, pp.10ff.

48 Eastwood, 'State We Are In', pp.33–38.

49 Waller, *Town, City and Nation*, p.271.

50 Rhodes, 'Myths in Central–Local Relations'.

51 They had done so since Edward Stafford's radical plans to reorganize local government in 1868–1869. See E.T. Gillon's account in *Evening Post*, 6 September 1895. Gillon, of the Private Bill Office, and J.W.A. Marchant, chief draughtsman in the Crown Lands Department, collected the necessary information under conditions of strict secrecy. 'Mr Stafford's idea was that the County should be the primary division, that each county should be absolutely self-contained . . . [He] took the deepest interest in the work as it progressed, and especially in the matter of naming the counties, regarding which he was most fastidious.'

52 Charitable aid boards consisted of the representatives of local councils. Education boards were elected by school committees until 1910.

53 The 1885 figure is from the 1st schedule in the Hospitals and Charitable Institutions Act, 1885; the 1905 figure from G.T. Bloomfield, *New Zealand: A Handbook of Historical Statistics*, Boston, 1984, p.349. The additional Education Boards formed in the 1880s were Grey, South Canterbury and Southland.

54 The *Journal of the House of Representatives* records petitions for charitable aid boards from Wairarapa (1887), Waimate (1888), Mangonui (1889), Ashburton, Horowhenua (both 1891), Stratford (1904), Ohatamea (1906), Wairoa (1910).

55 Even so, the boards, in the longer term held the line of 'local control' remarkably successfully. For example, it was only in 1951 that local body hospital levies began to be phased out and only in 1957 that education boards surrendered their control over the appointment of primary teachers. Dow, *Safeguarding the Public Health*, p.174; Ian Cumming, *Glorious Enterprise: The History of the Auckland Education Board, 1857–1957*, Christchurch, 1959, p.688.

56 Even on the Poverty Bay flatlands the cost could be £1,000 a mile because of flooding and lack of suitable material. See John Warren, county clerk, to the Colonial Secretary, 7 October 1880, Outwards Letterbook, 1877–82, Cook County Council papers.

57 I calculate this from the table of the loans of local bodies as at 31 March 1891 in the *New Zealand Yearbook*, 1892, p.110.

58 One example is Southland County Council which sought 50,000 acres. See minutes, vol.1, 9 October 1877, 5 December 1877, 12 September 1879, Southland District Council Archives, Invercargill.

59 These percentages are calculated from the tables of local bodies' rates, receipts and expenditure in *New Zealand Yearbook*, 1902, 1912, 1921, 1931. In England in 1905–1906 the proportion of exchequer grants to rates was 23:77. E.P. Hennock, 'Finance and Politics in Urban Local Government in England, 1835–1900', *Historical Journal*, 6, 2 (1963), p.225. The comparable New Zealand figure for that year was 13:87.

60 *New Zealand Yearbook*, 1932, pp.555–6.

61 The exact figures were 46.7% and 47.6%. Calculated from Bloomfield, *Historical Statistics*, tables 8.4 and 8.13.

62 *ibid.*, tables 8.7 and 8.14.

63 These other revenues are described in *New Zealand Yearbook*, 1932, p.558. The municipalities also drew significant income from their ownership of public utilities, especially electricity reticulation and retailing.

64 Eastwood, *Government and Community*, pp.18–19.

65 AJHR, 1886, B-1, p.5.

66 Bloomfield, *Historical Statistics*, table 8.11.

67 Under the Local Bodies Finance and Powers Act. But county councils were willing to protect their boards by levying county rates in the road districts and passing back the proceeds of the higher subsidies. See Papers, Box 2, 'Memorandum by the Clerk', 19 April 1887, Cook County Council; Committee minute book, p.86, 'Report of the Committee on Road Board Finance', Cook County Council.

68 Through the defeat of a clause in the Municipal Corporations Bill, 1886. NZPD, 55 (1886), p.267.

69 See the district allocations for Mataura riding, Southland County Council, minutes, vol.8, 12 October 1906, 9 October 1908.

70 Harling, *Modern British State*, pp.118–22. Earlier, empowerment had been a response to urban conditions.

71 Tom Brooking, 'Economic Transformation', in Rice, ed., p.243.

72 Jose Harris, *Private Lives, Public Spirit: A Social History of Britain, 1870–1914*, Oxford, 1993, p.195; Garrard, *Democratization in Britain*, pp.70–82.

73 The biographical data I depend on for this calculation is taken from the *Cyclopaedia of New Zealand*, 6 vols, Christchurch, 1903.

74 David Thompson, *A World Without Welfare: New Zealand's Colonial Experiment*, Auckland, 1998, esp. pp.133–7; Linda Bryder, *A Voice For Mothers: The Plunket Society and Infant Welfare 1907–2000*, Auckland, 2003, pp.31–32.