

1876

(McKinnon, M., 2012b)

Story: Colonial and provincial government

Page 4. Julius Vogel and the abolition of provincial government

Vogel's public works statement

In 1870 Colonial Treasurer Julius Vogel announced a colonial borrowing programme (the provinces were still prevented from borrowing) to finance immigration, and road, rail and other public works. This 'colonisation' was the principal task of the provinces and Vogel expected them to carry out the work. But he thought the work was more important than the provinces and that if a choice had to be made between preserving the provinces and promoting colonisation, he would support the latter.

Vogel believed the provinces needed 'remodelling'. All except Otago and Canterbury were in financial difficulties. Vogel introduced a capitation scheme – provinces would be funded on a population basis.

It was too late for Southland and for Marlborough, both of which were bankrupt. Southland was re-annexed to Otago. Marlborough was to be re-annexed to Nelson but instead received supplementary grants from the colonial government; so, increasingly, did other provinces.

The colonial government takes over

The colonial government increasingly played the major role in Vogel's public-works scheme. It standardised the rail gauge in 1870, and from 1871 took over direct management of immigration, and much of the public works in the North Island.

Other measures also diminished the role of provincial government. The Harbour Board Act 1870 set up elected boards for managing ports. Vogel offered substantial grants to roads boards – £100,000 in 1871.

Vogel and the provinces at odds

In 1873 Vogel proposed reserving not more than 3% of 'waste' (unused) land of provinces as 'forest'; it would be security for the loan and the revenue would ultimately be used to pay off the loan. The provinces feared they would lose rights to future land revenue and killed the proposal.

In 1874 Vogel announced a plan to abolish the North Island provinces and when Parliament met for the 1875 session the government announced the abolition of all the provinces (including Westland, which had been given full provincial status in 1873). The second (principal) reading of the bill was carried 52–17, with the superintendents of Taranaki, Nelson and Hawke's Bay (all members of Parliament) amongst those voting in favour.

Otago and Auckland opposition

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The demise of the provinces

Colonial Treasurer Julius Vogel said, 'The provinces have broken down because of their coming into conflict with the colonial government on many points, and especially on points of finance. Their doom was only a question of time, when it became obvious that they could not raise their own revenue; that they had to look to the general government to supply deficiencies; and that they could not borrow without the colony becoming liable.'¹

The principal opposition to abolishing the provinces came, as in the 1860s, from Auckland and Otago.

George Grey, former governor and now an Auckland resident, threw himself into the fray, claiming the provinces as his creation. He became provincial superintendent early in 1875, and entered Parliament in the middle of the year.

Auckland was not in a financially sound position, but it was geographically and economically very distinct from the other provinces. Grey was a popular figure who embodied that distinctiveness.

James Macandrew, superintendent of Otago, sought to keep provincial control of both the land fund and the education endowments, in respect of which Otago was well-placed.

It was agreed that abolition of the provinces would not take place until after an election and the conclusion of the parliamentary session which followed, that is, late in 1876. The election returned a majority for abolition, except in Auckland and Otago, and it came into effect on 1 November 1876. The Counties Act 1876 divided the rural parts of the colony into counties, which were in effect combinations of roads boards; towns survived unchanged.

Footnotes:

Appendix to the Journals of the House of Representatives, 1876, B-2, p. 12.

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