LEGISLATIVE COUNCIL. Wednesday, 23rd October, 1901. Industrial Conciliation and Arbitration Bill-Chemists' Rota of Attendance Bill-Education Boards Election Bill-Fisheries Encouragement Bill-Inspection of Machinery Bill-Industrial Conciliation and Arbitration Bill-Adjournment. The Hon. the SPEAKER took the chair at half-past two o'clock. PRAYERS. INDUSTRIAL CONCILIATION AND ARBI- TRATION BILL. The Hon. Mr. BOLT moved, That the report of the Labour Bills Committee on the Industrial and the evidence taken thereon, together with the proceedings of the Committee, be printed. Motion agreed to. CHEMISTS' ROTA OF ATTENDANCE BILL. The Hon. Mr. FELDWICK moved the second reading of this Bill. As honourable members were no doubt aware, it was his wish to insert a clause with the same object into another Bill, but it was pointed out on that occasion that such a clause would have no effect, as no penalty had been attached. He had since prepared a Bill to meet the case. He wished to say that he had agreed to the withdrawal of the clause from the other Bill, otherwise the chemists' half-holiday would have been endangered. As & reason for the introduction of the present Bill, he might state one or two facts within his own knowledge. Last year he had occasion to send a messenger in the middle of the night for medicine for himself. The messenger went to four chemists' shops, and twice to one of them, before he succeeded in getting the medicine, and it was two hours before he returned with it. Only the other day a member of the other House wished to secure medicine for a colleague who was in a serious condition, and the friend had actually to go almost to the Te Aro end of the town and then could not get the medicine required. Ultimately he returned to the Parliamentary Buildings and succeeded in ringing up a chemist by telephone, from whom he subsequently ob- tained that which was required. In some cases the chemists were married men who did not live on the premises, but in places out of town, and kept no assistants. In other cases their shops were not provided with bells, while in others the bells were apparently cut off. The Bill, it would be observed, was a permissive measure. If the Government found that com- plaints were made, and that as a result there was a neglect of human life or disregard of human suffering, they could

put the statute in force ; but if chemists did their duty by the public it could be left in abeyance. He moved, That the Bill be read the second time. Bill read the second time. EDUCATION BOARDS ELECTION BILL. On the question, That the amendments made by the House of Representatives in this Bill be agreed to, The Hon. Mr. W. C. WALKER said, With . regard to this Bill there has simply been added to it by, the House of Representatives, clauses in the way of more definitely prescribing the machinery under which the elections are to be conducted. It is possible that members may think that twenty-eight days before the election is a very long time, but still we all know that the education districts are very wide, and that there are Committees in very remote corners of these districts, and each Committee has got its votes which they are expected to record. I am not sure which is the most convenient way of dealing with these new

in Committee, because they are more than the ordinary proposals for amendment. I am pre- pared, however, to recommend the Council to accept them. They are, I think, all in the right direction. They only give greater effect to the measure which we passed the other day. If the Council would like to go into Com- mittee on them, I should be prepared to accept a proposal to that effect ; but to put the matter in form, I beg to move, That the new clauses added by the House of Representatives as amending the Bili we sent down be adopted. The Hon. Mr. JONES .- I would like to ask whether this new matter has been inserted at the instigation of the Government, and whether it has been carefully drawn up, or put in in a haphazard sort of way by the other Chamber. The Hon. Mr. W. C. WALKER .- I think I can assure the honourable gentleman that it has been very well considered, and that it has been put in with proper supervision. Motion agreed to. FISHERIES ENCOURAGEMENT BILL. The Hon. Mr. W. C. WALKER said this was a Bill which simply proposed to continue the bonus now authorised to be paid for canned and cured fish. The bonus was to be paid till the 31st August of next year. For some years the Government had been endeavouring to en- courage fisheries on our coast. The principal Act dated from 1885, and to a certain extent there had been some discouragement, as all that had been hoped for had not come out of the encouragement then given ; still it was rather hard for those who were endeavouring to do their best in canning and curing fish. This Bill, therefore, proposed to give them a bonus until the 31st August next year. He moved, That the Bill be read the second time. The Hon. Mr. BONAR said he would support the Bill, as it was most useful to support this industry, and the more the industry was sup- ported the better it would be for the country. The Hon. Mr. JENNINGS wished that at- tention had been drawn by the gentleman who was at the head of the Fisheries Department (Mr. Ayson) to the notice he had given at the beginning of the session in regard to the pos- sible detrimental effects of trawling near the sea-shores of the Hauraki Gulf and other parts of New Zealand. He was satisfied, from what had taken place, that the fishery grounds were likely to be seriously interfered with in con- sequence of the trawling so close to the coast. At any rate, it was a question that should engage the close attention of the Fisheries Department. At Home it had been found, by experience based on a number of years, that the fisheries around the coastal lines had been in- jured by the trawling operations; and the Home Government contemplated setting up a Commission to inquire into the matter, so as to give relief to those who earned their living by

fishing. This Bill was in the direction of en- couraging the canning and fish industry of the colony, and he therefore would support it. The Hon. Mr. T. KELLY said he would like Hon. Mr. W. C. Walker Minister as to what the effect of the granting of the bonus had been. At present the Council had no information to guide them in coming to a conclusion as to whether it was desirable or not to continue the system of granting bonuses. He thought, therefore, the Council should be supplied with information to enable members to form an opinion as to whether it was desirable to pass the Bill. The Hon. Mr. JONES quite agreed with what had been said in reference to this question by the last speaker. He thought the honourable gentleman who introduced the Bill should give the Council some information as to whether or not bonuses had been of any substantial ad- vantage to the fishing industry of the colony and to the colony itself. He knew this from his own experience : that fish, as a rule, were scarce and expensive in the colony, notwith- standing the bonus which had been paid for years. It did seem strange that, while fish was so scarce and expensive, canning and curing should be encouraged by bonuses being granted by the Government. The Hon. Mr. W. C. WALKER, in reply, said he would first refer to the debatable matter introduced by the Hon. Mr. Jennings-namely. as to the effect of trawling on certain fishing grounds. That was a matter of pure theory. All he could say was that the shores of Great Britain, and the banks for miles around the coast, were being trawled every day, and yet the supply of fish was some 20 per cent. greater than it had ever been before. An Hon. MEMBER .- Enormously diminished. The Hon. Mr. W. C. WALKER said, You could get fish in England now cheaper than it could be obtained previously. Of course, as to the effect of trawling, as he had said, that was a question of theory. He might be wrong-he could not speak authoritatively on the subject- but that was the result of his experience and his reading, and he knew what experts said about it. Experts said that fishing grounds were all the better for being stirred up by trawlers, the result being to distribute the food better, and it seemed to be beneficial also to the ova. Therefore, he did not think that sufficient had been said to show that trawling would injure our fishing in- 1 dustry in the colony. As regarded the result of 1 the present bonus, he might state that last year £1,016 11s. 9d. was paid for canning fish, at a bonus of 1d. per pound. That represented a great many pounds of fish, and it showed that, at all events, there was something being done for the money. An Hon. MEMBER. - How much the year before ? The Hon. Mr. W. C. WALKER said about £1,000 or a little over. But, as to the accusa- tion made that there was not enough fish in New Zealand to supply our local wants, he thought that was an over-strained statement. An Hon. MEMBER .- The fish are scarce and dear. The Hon. Mr. W. C. WALKER said that depended on those who retailed fish. He knew

knew that in the large centres of population fish could often be obtained cheaper than it could in places near where the fish was caught, but that had been the fact from time imme- morial. But, with the facilities which they now had of keeping fish in cool chambers, et cetera, the distribution of fish was very much more easily managed than it was in years gone by. As regarded canning, where the fish was canned it was canned in large numbers, and in places where practically no means of distribu- tion existed, and the fish would have to be destroyed or not caught at all unless it was canned. Therefore, he was quite certain that the canning of fish did not interfere with the food supply of the people, and in any case he thought they would find that most of the fish was consumed in the country-very little was exported. He trusted, therefore, that this Bill would be looked upon as a very fair measure. Bill read the second time.

INSPECTION OF MACHINERY BILL. The Hon. Mr. W. C. WALKER said it would be remembered that the Council passed a Bill last year by which they endeavoured to place on a proper foundation the inspection of machinery and the qualifications of those who were to pass Of course, in a matter of the examinations. this kind, experience taught those in authority that some amendments were necessary in cer- tain directions. It had been found in a matter of gold-dredging that it was a great hardship, where the work was going on continuously, that the dredge should have to be in charge of a highly certificated man. It

was quite suffi- cient that there should be a high-class certifi- cated man in charge of a dredge, but it was thought that if they had men holding second- class certificates in charge of the engine at cer- tain times that would be quite sufficient. For instance, in the case of a steamer the first en- gineer was a highly certificated man and a man of great experience ; but in the engine-room he had under him men holding second, third, and fourth grade certificates, but who were perfectly competent under the supervision of the chief engineer, to attend to the engines. This Bill simply applied the same principle to dredges, and therefore he trusted it would be considered a per- fectly reasonable amendment to make in the Act. Clause 4 applied to the granting of certificates of the appropriate class to the holder of a cer- tificate either of a third class marine engineer, or a river engineer, or a marine-engine driver, or driver of a winding-engine, upon the produc- tion of "satisfactory evidence that the holder thereof has for not less than twelve months been in charge of an engine either on land or afloat with cylinders of the area prescribed for such class." That, also, was found to be a relaxation that should be made, and he believed it could be made with perfect safety. The 5th clause related to giving certain oppor- tunities to certain holders of second class certificates to claim the right to be examined for a first-class certificate under the Act. He could not go into the technical merits of the question, this relaxation could be made. He moved the second reading of the Bill. Bill read the second time. # INDUSTRIAL CONCILIATION AND ARBI- TRATION BILL. The Hon. Mr. W. C. WALKER .- Sir, in moving, That you do leave the Chair in order that the Council may go into Committee on this Bill. I do not think it is necessary to say a great deal on the subject, because the Bill does not introduce very much new matter. The principles of conciliation and arbitration have been accepted now for a good many years, and if there is any one thing I should be sorrier to see than another, it would be that this Bill should go in the direction of destroying conciliation, be- cause I believe the original intention was-and I think there is no necessity why the original intention should not be maintained in its fullest sense-that the first object of the legislation we have passed on the subject was that conciliation should first be attempted. There are two clauses I wish to refer to. One of them has been struck out, and the other has not been struck out by the Committee. I look on them both as very important. Clause 6 came down from the other House with a proviso that either party to a dispute could bring into the matter a special Board of Conciliation, and similarly in the 21st section it was provided that either party to an industrial dispute could pass over the Conciliation Board and refer the dispute straight to the Arbitration Court. I think that is a great mistake. In the first place, it is not fair that one party who wants conciliation should not get the full ad- vantage the Act gives him. On the other hand, it is not fair that the other man should pass over this Board and go to the Arbitration Court, and it is not fair either to the general interests of labour questions that the tribunal which. I think, it was the original intention of the Legislature should be the principal Court of the whole, should not be appealed to at once. and that inducements should be given to pass over the Conciliation Board. As to clause 6, evidence was adduced to the effect, in the first instance, that it was not satisfactory, as a rule, to workers that the Boards of conciliators should be set up. simply from the fact that, inasmuch as those Boards consisted of experts on both sides, the experts in a particular trade must be men who were, possibly, pre eminent in certain employments in that trade, they ran the risk of being singled out for punishment at the earliest possible notice at the hands of their employers. Now, I have heard in this Chamber such dan- gers as this absolutely scouted, and I have heard honourable members say that no artisan in New Zealand could ever be so cowardly as to be afraid of anything of the sort, and, in fact, that nothing of the sort ever happened. Well, it is a curious fact that just before this session certain affairs took place in connection with a certain mine at Waihi, where it is absolutely proved, as far as anything of the sort could be proved from motives, that certain dismissals

ployés taking steps to place their affairs before the Conciliation Board. That is the reason why the workers

assure us one and all that they are afraid of a clause of this kind, and I think it is only fair we should listen to them and consider their representations. Similarly, as regards the 21st clause, which gives either party to an industrial dispute the right to pass over the Conciliation Board, and have the matter referred straight to the Arbi- tration Court, a great deal of ink-slinging has been devoted to showing up the useless nature of the work that Conciliation Boards perpetrate in several places in New Zealand, and that the time is wasted, and disputes are lengthened by reason of their protracted proceedings. On the other hand, we have evidence-and I am inclined to believe the evi- dence I heard-that this is quite a wrong way of putting things. Evidence is collected. Evi- dence is sifted. Out of many points that come before the Conciliation Board a large propor- tion are settled, and it is only in the remaining two, three, or four that there is any reference made to the Arbitration Court. The Arbitra- tion Court's work is comparatively simple after the Board has been at work. The two parties know where they are, and they do not bring forward irrelevant arguments. They do not waste time: they have crossed swords once with each other before the lower tribunal, and it appears therefore they are not likely to waste time or words in coming to a conclusion. Everything that we heard before the Com- mittee on this matter as between the Boards and the Court would lead me to believe that the Boards were doing a great deal of useful work, and that there is no reason why we should give them a hit in the eye, such as I say clause 21 would do. I trust the Council will not agree to pass it. The Committee re- commend that clause 6 be struck out, which I certainly approve of, and I would ask the Coun- cil to alter "either of the two parties " in clause 21, to "the party." That means all the parties to the dispute, if they choose, may go to the Arbitration Court, but certainly not one. The other parts of the Bill are mostly machinery. There is, however, one important matter which perhaps covers a good many of the clauses, and that is the matter relating to the trade-unions. In the original Act of 1894 trade unions were put on the same footing as industrial unions under the Act. They got the privileges and also the disabilities of peace and war. The Act of last year omitted them because at the time it was thought that all the trade- unions in New Zealand were registered as in- dustrial unions, and that therefore it was mere surplusage to carry on the old legislation with regard to them. But it has occurred to those who are responsible for the working of the Act that trade-unions might drop their registration as industrial unions, and be active parties to strikes as trade-unions, which would be. of course, defeating the object of all our industrial legislation of this kind. This Bill, therefore, proposes to bring in trade-unions Hon. Mr. W. C. Walker are all registered under it as far as I know, but if they are not, or if they were to drop their registration, still, as trade-unions they would be bound by any award of the Court. That is the reason why trade-unions are mentioned in this Act. It is not absolutely to prevent any trouble at the present time, but is simply put into the Bill in case any trouble should arise at any future time. I beg to move, That you leave the Chair in order that the Council go into Committee on the Bill. The Hon. Mr. ORMOND .- I can scarcely believe my honourable friend proposes to go on with this Bill to-day. The Bill has only just been handed to us after inquiry by the Labour Bills Committee. We have only had it a few minutes, and have not had time even to see what the amendments are. I take an interest in this Bill, and should like to see and to consider the amendments, and also to see what evidence was given before the Committee. There are grave doubts in the colony at the present moment as to whether this Conciliation Board should be retained, and there are also grave opinions whether or not the constitution of this Court ought to be altered. Surely we must see what evidence has been taken by the Committee on these very important points before we go into Committee on the Bill. I ask my honourable friend to name some time, not to-day, for going into Committee on the Bill and to let us have the information wanted before we do so. The Hon. Mr. W. C. WALKER. - If the Council desire it I have no objection to post. poning it till to-morrow. An Hon. MEMBER. - Can we get the evi- dence ? The Hon. Mr. W. C. WALKER .- There is i not much evidence, and I think it ought to be up to-morrow. The Hon. Mr. BONAR .- I think we ought to have the evidence before us. The Hon. Mr. JENKINSON .- I would sub- 1 mit that we go into

Committee and report progress. The Hon. Mr. W. C. WALKER .- The only thing I think is a little hard is that I have been allowed to make my speech at once, and every one else is to have twenty-four hours more to think over it. If the Hon. Mr. Ormond had asked me before I moved the motion to post- ! pone it I should have been only too glad to do so. The Hon. Mr. ORMOND .- I should like to say I had no idea my honourable friend was going to ask us to go into Committee on this Bill at once. I thought, as a matter of course, we should have time to consider the matters referred to in it, but I do not wish to be unfair to my honourable friend. The Hon. Mr. W. C. WALKER .- So far as I knew the Bill was circulated this morning. An Hon. MEMBER. - No. The Hon. Mr. ORMOND .- I searched for it before I came in, and only got it after coming into the Council.

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to move, That the debate be adjourned till to- morrow. Motion agreed to and debate adjourned. # ADJOURNMENT. The Hon. Mr. W. C. WALKER moved, That the Council do now adjourn. The Hon. Mr. SCOTLAND would like, before the motion was put, to ask the honourable gentleman what he intended to do with refer- ence to order of the day No. 7, the Shops and Offices Bill. That order of the day had stood on the Paper for a considerable time. He would like to ask the Minister if he did not agree with what he-Mr. Scotland-believed to be the opinion of the majority of the Council, that this Bill should be disposed of in some way or other. They were now nearing the end of the session, when time would be precious, and they might not later on have time to devote to the proper consideration of whether this measure should or should not be read the third time. The Hon. W. C. WALKER said he did not think he would distress the Council with this Bill this year. The Council adjourned at twenty-five minutes past three o'clock p.m. # HOUSE OF REPRESENTATIVES. Wednesday, 23rd October, 1901. First Reading - R. Thompson - Cook and other Islands Government Bill-Old-age Pensions Bill -Local Bodies' Goldfields Public Works and Loans Bill-State Coal-mines Bill-Local Bodies Goldfields Public Works and Loans Bill. Mr. DEPUTY-SPEAKER took the chair at half. past two o'clock. PRAYERS. FIRST READING. Inch-Clutha Road, River, and Drainage Bill. # R. THOMPSON. Mr. MEREDITH (Ashley) brought up the re- port of the Public Petitions Committee on the petition of R. Thompson, of Whangarei. He moved, That the report do lie upon the table, and be printed. Mr. FOWLDS (Auckland City) moved, That the report be read by the Clerk. The report was read by the CLERK, to the effect that the evidence given did not lead to the con- clusion that there had been corruption on the part of the valuers, but that, owing to the great reduction made by the Assessment Court, there were strong reasons for careful revision of all field-book valuations where inequality was evi- dent ; that the Committee saw no reason to find fault with the constitution of the Assessment Court ; and that, though there were inequalities, the evidence did not support the contention of the petitioner that he was a "marked man," or that the ruin of his family was intended. Mr. FOWLDS (Auckland City) said the peti- tion in this case was rather an extraordinary some of the officers of the Land Valuation Department. The evidence taken in the case, he thought; was more extraordinary still ; and he thought the finding of the Committee was the most extraordinary of all. In other words, it was, "Not guilty ; but do not do it again." He thought the finding of the Committee was not in accordance with the evidence adduced, and he would merely direct the attention of members of the House to the evidence, which had been taken down in shorthand and printed ; and he would ask that they should carefully look into it themselves, and see whether the inference in the finding of the Committee was justified -- namely, that there was inequality of valuations. So far as he could make out, after carefully listening to the whole of the evidence, the charge of unequal valuation was not by any means sustained. On page 36 of the evidence members would find, with reference to one property-which, he thought, was the cause of the petitioner bringing the matter before the House-that in 1897 the property was valued at $4 10s. per acre, unimproved value- Mr. O'MEARA (Pahiatua) rose to a point of order. This evidence, he understood, had been printed and circulated to members of that Com- mittee only. Was the honourable

gentleman in order in discussing the evidence that had been printed, and not circulated to members of the House ? Mr. DEPUTY-SPEAKER said that when a report was brought up on a petition, the evi- dence taken before the Committee and minutes of proceedings were in the possession of the House. Mr. FOWLDS said the evidence had been submitted along with the report of the Com- mittee. In 1901 the petitioner stated in Court that the value of this land was #15 per acre, unimproved. The valuer placed a valuation of #30 per acre, and a witness in Court purchased the land at £40 per acre, which was $10 more than the value at which it was assessed ; and there was evidence submitted to the Committee that part of it had since been sold at #100 per acre. Now, if that was an unequal and unfair valuation, then he did not know what would be a fair valuation under the circumstances. He might state that the Committee had evidence from the petitioner that the portion of the pro- perty next the creek was the least valuable por- tion of it, and that was the piece which had since been sold at $100 per acre. Mr. ATKINSON .- Was it assessed in Court ? Mr. FOWLDS said it was brought before the Assessment Court, and the assessment of $30 per acre was appealed against. It was bought at $40 per acre, and part of it was sold at £100 per acre. Now, the same condition of things was evident in practically every one of the cases cited ; and the evidence submitted by the valuers, while it was impossible for the Committee to judge merely on maps and de- scriptions given as to relative valuations, still the explanations given by the valuers were, to his mind, fair and satisfactory, and showed there was nothing in the nature of unequal valua-

made against the officers of the department, he did not think the Committee had done justice to them. The charges were that the valuers had made unfair valuations and un- equal valuations, had acted corruptly, and im- properly altered the assessment roll, had attempted to destroy the independence of the Assessment Court, and caused a feeling of alarm in the district, and had entered into a conspiracy with political opponents, and so forth. In view of these very serious charges, and the ample refutation of them by the wit- nesses in the case, he did not think the finding of the Committee did justice to the officers con- corned. Mr. SEDDON (Premier) moved the adjourn- ment of the debate. He thought it was only right members should see the evidence, and he did not think they could discuss this matter until they knew where they were. The state- ment made by the last honourable gentleman might be borne out by the evidence or other- wise, but they did not know. He thought the debate should be adjourned until this day week. Debate adjourned. Mr. MONK (Waitemata) rose to a point of order. It had not struck him how this discus- sion was being burked after the statement made by the member for Auckland City. He felt, as a member of the Committee, that there was a reflection upon him, and he wished to have an opportunity of clearing it. He wanted to ask whether there was any method by which he could secure an opportunity of refuting the very serious reflections that had been made on the Committee. Mr. DEPUTY-SPEAKER said the honour- able gentleman had lost his opportunity when the Hon. the Premier moved the adjournment of the debate. # COOK AND OTHER ISLANDS GOVERN- MENT BILL. On the motion, That this Bill be 3.0. read a third time, Mr. FISHER (Wellington City) said .- Mr. Deputy-Speaker, I propose to divide the House on the motion for the third reading of this Bill, should I be fortunate enough to get another teller, in order that I may place my vote on record against the Bill, and in that way register my protest against it. Last year. on the 28th September, in haste and without sufficient consideration, this House passed a resolution authorising the Government to annex these islands. The resolution was as follows :- " That whereas it is desirable in the best in- terests of the colony, and of the inhabitants of certain islands in the Pacific hereinafter men. tioned, that those islands should be annexed to this colony : This House therefore approves of the alteration of the boundaries of this colony and consents to the extension of the said boundaries so as to include the Cook group, including the islands of Rarotonga, Mangaia, Atiu, Aitutaki, Mitiaro, Mauke, Hervey (Manuai) ; also the following islands : Pal- Mr. Fowlds (Danger),

Rakaanga, Manihiki, and Penrhyn (Tongareva)." I am strengthened in the statement that the House last year passed that resolution in haste and without sufficient consideration, for, in studying the debate which took place upon it, I . observe that the public works estimates were being distributed by the messengers amongst the members of the House while the debate was" proceeding, and, when an honourable member who was addressing the House called attention to the very marked indifference with which the subject was treated by honourable members all round the House, the Hon. Mr. Hall-Jones interjected to explain that "They are looking over the Public Works Statement." The Hansard report, at page 401 (Volume 114), photographs the state of the House on that day. History repeats itself. To-day the public works estimates have been circulated. There are from fifteen to twenty members now present in the House, and, while the Premier is asking us to adopt a Constitution for the government of a group of islands two thousand miles away, a proposal which will eventually land this country in endless trouble and expense, members are out in the lobby and elsewhere searching the public works estimates with breathless haste to discover whether there is put down $500 to bridge a creek here or £300 to make a piece of road there. And this is legislation ! Following upon the adoption of the resolution of the 28th September, the Premier, on the 20th October, beaming with effusiveness and joy, announced to the House that he had received a telegram from His Excellency the Governor, who had just returned to Auckland from Rarotonga, stating that he had annexed the islands. To the Premier this was equivalent to the con- quest of a new world. It was to him a new toy. Now, I hold that, the islands having been formally and officially annexed, it is not necessary that this country should pro- ceed any further in the matter-that the Civil organization, such as it is, which the Islands have is sufficient for all their purposes and requirements. I said on the second read. ing of the Bill that I considered the Bill a mistake. I still consider the Bill a mistake ; and, if it is not a mistake, I ask why it was not brought down earlier in the session, so that the House should have ample time to consider it. The object evidently is to rush it through during the last hours of the session. The honourable gentleman tells us that if the Bill is not passed great disappointment will ve felt at Home-meaning, I presume, by the Home authorities in England. What does it matter to us whether there is disappointment on the part of the Home authorities or not ? What have they to do with it ? What do the people of this country care what they think? There is too much of this syco- phantic veneration for the Home authori- ties. We are getting very tired of it. It is we who have to bear the cost of the annexation, and the attempt to govern these islands according to a highly civilised method

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It is we who will have to pay for the gratifica- tion of the Premier's vanity. In the few words I addressed to the House on the second reading of the Bill I mentioned that I had in former years studiously perused the whole of the literature relating to the Polynesian Islands. The honourable gentleman sneered in his illi- terate way. The honourable gentleman was not familiar with the parliamentary and poli- tical history of the subject. His education was When the Polynesian by no means perfect. scheme was submitted to Parliament the honour- able gentleman was not a member of this Legis- lature. He had not then learnt to toy with Governors and with visions of "extension of Empire." The question had not dawned upon him in any form or shape. Mr. SEDDON. - Oh, yes, it had. Mr. FISHER .- I will show the House pre- sently whether it had or not. Now, in moving the second reading of the Bill the honourable gentleman foreshadowed the system of govern- ment which he thought it necessary to intro- duce, and the works which he suggested should be carried out. He did not quite say that he would submit a public works policy and a railway-construction scheme for the Islands, but he did indicate that road-making would be necessary, and that a plan would have to be de- vised to improve the state of the fruit-crop, and especially to arrest the progress of some form of blight with which the oranges and lemons of the islands had become afflicted. Then, I look at the Bill again, with its complex provisions, and I ask whether, in the

case of these simple, primitive islanders, it is compatible with com- mon-sense, with logic, or with any form of reason to apply to them a Constitution such as was given to the people of New Zealand in the year 1852? Why, the whole thing is an anachron- ism, an absurdity, a fit subject for laughter. What is behind it one cannot exactly say. We tell ourselves so, and we tell each other, but we whisper it softly, for we know the Premier is suffering from a severe attack of megalomania, and we observe how adroitly the Governor humours this form of malady. To a person not familiar with the subject it is interesting to read in the Bill of the " Federal Parliament," and the "Native Councils " which exist in the Islands. One would be led to believe that they had a Parliament in miniature somewhat re- sembling our own. But what is their " Federal Parliament "? It corresponds to the local bodies which the Native people of this country have amongst themselves, and which they very properly designate Native Committees. Mr. HERRIES .- But with more power. Mr. FISHER .- They have more power, but they resemble our Native Committees more than anything I can think of. And we speak of a "Constitution " and of a " Parliament " to manage a handful of simple, good-natured, harmless aborigines, as if we were proposing to govern an advanced and a civilised people. I object to it ; and I object on the more serious ground of the expenditure which the govern- ment of the Islands, as proposed in this Bill, VOL. CXIX .- 43. Zealand. The Bill provides for periodical visits from Judges or a Judge of the Supreme Court. The "Tutanekai " and the "Hinemoa " will prove extremely useful. Without doubt there will be periodical visits by His Excellency the Governor, and by the Premier ; and without doubt there will be periodical visits by George Fisher too, for I take an absorbing interest in the welfare of the simple islanders of Raro- tonga. Here we are again. Annexation is in the air. In the newspapers of Saturday last there is an announcement to the effect that the warship "Pylades " has annexed an island in the South Seas called Ocean Island, and I have no doubt that in course of time we shall be asked to establish a form of govern- ment and give a Constitution to this island. An Hon. MEMBER .- How many people are on it ? Mr. FISHER .- Exactly the same number as on Atiu and Mitiaro, of the Cook Group-none. Now, Sir, the honourable gentleman in moving the second reading of the Bill, said he had had this scheme under consideration for some con- siderable time, and after hearing what I have to say I will ask the honourable gentleman to state in his reply now whether that is so or not. I wish at this point to make one special remark : The honourable gentleman, in his reply on the second reading of the Bill, said that logically I had argued against myself in saying that it would have been a wise and a proper thing to annex the New Hebrides, Fiji, Samoa, and the Cook Group-which formed one great archipelago-but that it was a mis- take to annex the islands of the Cook Group. The honourable gentleman's power of analysis is defective. Let me point out to him the difference. It was originally proposed by Sir George Grey, Mr. Coleman Phillips, and others that all the islands, including the New Hebrides, Fiji, Samoa, and the Cook Islands, should be annexed to New Zealand. What a grand concep- tion ! What a future was before those islands ! What advantages they would have conferred upon this colony! That would have been a possession of which the English nation might have felt proud. But now that Fiji and Samoa have absolutely gone from beyond our control it is proposed to acquire these Cook Islands, which might be covered on the map with a thimble, which are the least valuable of the whole group of islands, and which are two thousand miles away from the Colony of New Zealand. I say that an examina- tion of this map now before me will convince any sane person that the proposal is not one that should be adopted by the people of New Zealand. And in connection with the whole subject I wish to point out that it is extremely unjust to Mr. Coleman Phillips, the originator of this Polynesian scheme, that to this mo- ment he should not have been rewarded for his untiring labour in connection with that scheme, and for the great services he rendered to this country. Finding that his brains had been appropriated wholesale by men who wished to make themselves famous at his expense, and

thankless manner, he petitioned the Parlia- ment of this colony in the year 1876. Sir Julius Vogel, who

had treated him most shabbily, bitterly opposed the petition ; but nevertheless the Public Petitions Committee reported as follows :- "REPORT. - The petitioner states that he made known to Sir Julius Vogel a scheme for instituting a company for trading with Poly- nesia ; that he was promised compensation of £2,000 for such scheme ; that he has received no compensation ; and he prays the House to grant him relief. "The Committee, having examined Sir Julius Vogel and the petitioner, have directed me to report as follows, viz., -- "'That it has been shown that Mr. Phillips supplied information relative to the Polynesian scheme ; that he is entitled to the expenses he incurred in coming to Wellington, in reference to that subject, not exceeding $150 ; and that a sum of $150 be given him for his other ex- "THOMAS KELLY, Chairman. penses.' "19th September, 1876." He was to receive, in all, $300, but Mr. Phillips to this day has not received one penny of that amount. The whole scheme is outlined in the evidence given before the Committee, and I recommend it to the careful perusal of honourable members. Now, the honourable gentleman told us a great deal about the trade of these islands, and the benefits which were to be conferred upon the Colony of New Zealand by their annexation. Now, let us see what the islands are, and to what extent the honour- able gentleman's predictions are likely to be verified. Mr. Seed, Secretary of Customs, in his report to Sir Julius Vogel, Commissioner of Customs, dated the 23rd December, 1873, speaks of these islands in the language I am about to quote. But I lay great stress upon this, that the Premier in introducing this Bill endeavoured to convince the House, and the people of the colony through Hansard, that the development of trade with these islands would be of great consequence to the Colony of New Zealand. Now, let us see whether that is possible. Mr. Seed's descrip- tion of Cook Islands is to be found in Parlia- mentary Paper A .- 4, 1884. It is as follows : - # "COOK ISLANDS. " This group of islands, which lie scattered over a considerable space, extending from lat. 18º 54' S. to 21° 57' S., and from long. 157º 20' W. to 160° W., without any intimate connection between each other, consists of nine or ten separate islands, the greater part of which were discovered by Cook ; hence the appro- priateness of their collective appellation." At this point I wish to explain, and it ought to be understood, that these islands, eight or ten in number, some quite insignificant, are a disconnected group. First of all, they are two thousand miles away from New Zealand -to be correct, eighteen hundred miles-and they are from one hundred miles to one hundred and twenty miles distant from each other. Mr. Fisher Seed speak,- "Mangaia is the south-easternmost of the group, is of volcanic origin, and is about thirty miles in circumference ; population, 2,000. The productions of the island are numerous and cheap; they consist of pigs, turkeys, fowls, ducks, vams, sweet potatoes, pineapples, which the inhabitants obtain, in spite of the poverty of the soil, by assiduous labour and care but little common to these islanders. "Rarotonga is a beautiful island ; it is a mass of mountains, which are high, and pre- sent a remarkable and romantic appearance. It has several good boat harbours. The pro- ductions of this island, which is much more fertile than Mangaia, are exactly the same. The population does not exceed 4,000. " Atiu resembles Mangaia in appearance and extent. It is a mere bank of coral, 10 or 12 feet high, steep and rugged, except where there are small sandy beaches and some clefts, where the ascent is gradual. " Mitiaro is a low island, from three to four miles long and one mile wide. " Mauki or Parry Island is also a low island : it is about two miles in diameter, well wooded, and inhabited. " Hervey Islands. - This group consists of three islands, surrounded by a reef, which may be six leagues in circumference. " Aitutaki presents a most fruitful appear- ance, its shores being bordered by flat land, on which are innumerable cocoanut and other trees, the higher ground being beautifully interspersed with lawns. It is eighteen miles in circuit. Population, 2,000." That is, a population of eight thousand in all the islands. The honourable gentleman told us, or we were told in some of the documents read to the House, that the population is fifteen thousand. Mr. TANNER .- The number has been greatly exaggerated. Mr. FISHER .- I am not well informed upon that point myself, and I accept with great re- gard for the knowledge of the honourable mem- ber for Avon, Mr. Tanner, his statement that the numbers have been grossly exaggerated. He

ought to know something of the subject, for I find on reading the debate of last year that it was he who caused the Government to include in the annexation Proclamation one of the most valuable of the islands, namely Suwar- row. I take it that Mr. Seed's paper is con- clusive proof as to the uselessness of the islands to New Zealand. Now, Sir, here is a paper, A .- 6, 1894, entitled " Samoa and the Pacific Islands." It is a paper prepared by Mr. Cole- man Phillips, and addressed to the Hon. R. J. Seddon. It is an interesting, instructive, and historic paper upon these islands, for all of which Mr. Coleman Phillips did not even re- ceive thanks. In this paper he shows how New Zealand lost its opportunity in not annexing Samoa. Sir George Grey, in 1885, showed that we had lost our opportunity in not annexing Fiji (see Hansard, Vol. 51, p. 59), and now, after these really valuable islands have been
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to annex this useless Cook Island Group. In forwarding his paper to the Hon. Mr. Seddon, Mr. Phillips said :- "The Knoll, Featherston, 19th June, 1894. " MY DEAR SIR, - I have the honour of now enclosing you the paper upon Samoa, to which the two Appendices (A and B) I left with you belong. So very little is known in the colonies about Samoa that I have made the paper full, for general reading. " I am not aware of any late historical paper such as this. And, as Samoa is undoubtedly the most valuable group of islands outside the German sphere of influence, containing, too, the best harbours Australasia is ever likely to get in the Pacific, I do trust that the very strongest efforts will be made in bringing pres- sure to bear upon the different Parliaments, so that this group may be brought under the British flag .- I have, &c., "COLEMAN PHILLIPS." The only person who recognised the value of Mr. Coleman Phillips's paper, " Samoa and the Pacific Islands," was Mr. W. P. Reeves, who said he thought the paper should have been made a school-book for the instruction of the children of New Zealand. Now, if, as the Premier says, he took an interest in this ques- tion so far back as 1883, why did he not move in the matter then ? He came into Parliament in 1879. He must have known of the desire of the people of Samoa to be annexed to New Zealand. Here is the request from Malietoa, dated the 19th November, 1883, which was printed in the Appendices of this Parliament at the time :- - # " Capital of Samoa, Molinuu, 19th November, 1883. " To Her Most Gracious Majesty, Victoria, Queen of Great Britain and Ireland : " YOUR MAJESTY,-I write this letter to your Majesty, the Queen of Great Britain, because I wish to bring my petition to your notice. I know well that you have a regard for me, because you are in the habit of sending visitors to me-great chiefs of your Govern- ment-year after year, and they always tell me of the good wishes of your Majesty. Your Majesty, I write this letter, being certain of your regard for me, and love of right; and, because I have seen and heard that other nations, both white and black, which are under your Majesty's Government, have happiness in this world, and have no more trouble nor fear, but have peace in their lives, therefore I wish to be under your arm. I wish to tell you my mind to be under the flag of your Government. I, and three-quarters of the chiefs and people of Samoa, wish to see put up the flag of Great Britain at once. I should be very glad and thankful to your Majesty if you would send me one or two chiefs of your Government, that we can talk face to face, and that we can tell them our wishes for the British flag to be put up in our kingdom, the same as you have done in Fiji. Your Majesty, 1 hope that I shall have an answer according to my wishes. I hope am, &c., " MALIETOA, King of Samoa." Why did not the honourable gentleman move at that time? There is the paper on Samoa addressed by Mr. Coleman Phillips to the " Hon. R. J. Seddon." Why, Sir, the whole thing is "jingo " and afterthought. His colleague, Mr. Reeves, did speak in very laudatory terms of that paper. He said it was so full of informa- tion that it ought to be issued in the form of a school-book for the children of New Zealand to study ; but he did not appear to take a very great interest in the personal welfare of Mr. Coleman Phillips. There is Malietoa's petition of 1883. Now, in 1885, Sir George Grey in this House called attention to a petition from the inhabitants of Fiji, asking to be annexed to the Colony of New Zealand. The right honourable gentleman was in the House then. What step did he then take in the matter? None. Now, I have brought this

question of the annexa- tion of these islands up to a comparatively recent date, and I say that the interests of that great archipelago and the interests of New Zealand, and, more than that, the interests of Great Britain, have been neglected by every man in power in this country from that date up to now, when all the valuable possessions have passed away. And now we are asked to make a fuss over these paltry Cook Islands. But the great spirit of Jingoism had not then set in. The right honourable gentleman had not visited those islands. An Hon. MEMBER .- He had not visited Eng- land. Mr. FISHER .- No; he had not visited Eng- land. He had not sniffed the warlike spirit and the spirit of conquest ; and we are asked to dance to the honourable gentleman's piping because the right honourable gentleman paid those memorable visits to England and to the Islands of the Cook Group. And when he went there a sound as of the Apocalypse went round the Islands of the coming of the new Messiah. We are to make them a dependency of New Zealand. For what? They cannot in any way benefit the Colony of New Zealand. We are going to establish a form of government which has only one parallel-to be found in a chapter of " Don Quixote ": " Of how the great Sancho Panza took possession of his Island of Barataria, and how he made a beginning of Governing." But all this is not surprising, since the honourable gentleman has become seized with this idea of conquest and annexation. I suppose it will be pleasing to Old England and the dear old Mother-land. I find on reading the local paper -- the supplement to the New Zealand Tonnes of Saturday last - that the honourable gentleman's ideas of con- quest and annexation now extend far beyond the Cook Group. The article in this paper is headed, "A Colonial Statesman: A Re- markable Man." I shall only quote the very last paragraph of the article. The rest is too absurd and ridiculous. This is what the inter- viewer says of the Premier :-- "Then this many-sided man turned from

latest trouble,' said he, 'and one that has brought me keen disappointment, was the colony's failure to respond to my call for New Zealand Volunteers for China."" What on earth do we want to go to China for ? "My demand was dubbed ' far - fetched,' ' quixotic,' ' ultra - Imperialistic.' But the Press and my colleagues are wrong. This is no extreme, impulsive scheme of mine. always try to look a long way ahead." I believe in looking a long way ahead, but not so far as China. Even his colleagues thought him wrong. " Eventualities may arise in connection with the adjustment of affairs in China that will necessitate New Zealand coming to the fore." Well, let me see, Russia, Austria, Germany, Italy, France, England, and America have not been able to settle it. Mr. SEDDON .- Nor Japan. Mr. FISHER .- "Nor Japan." They have not been able to settle it ; but New Zealand is going to settle it. The interview proceeds :- "We lie, geographically, in a direct sea-line from Chinese ports ; three weeks' sailing will bring any foreign warship to our shores. Were we to send New Zealand soldiers to help in the defence of British rights in China we would make them feel our power." Mr. SEDDON .- As we have done in South Africa. Mr. FISHER .- " As we have done in South Africa," says the honourable gentleman. agree with that. "But," says the honourable gentleman :- " But, to my profound regret, my foresight is misinterpreted. An opportunist I may be, #cc-zero but an opportunist in the more sane sense of the term. It is not the mere raising of a handful of Volunteers to take their share with the allied forces in China, as they are so valiantly doing in South Africa, but it is the Imperialistic value of this action ; the keeping at high pressure of our sense of Imperial re- sponsibility and the glorious lesson of Empire." Now, I can understand how the people of England applauded the desire on the part of the people of New Zealand to lend every aid they could to the British nation in the settlement of their trouble in South Africa. I would ap- plaud every effort made by any colony to assist in the maintenance of the British Empire, but I do not understand why we should be struggling at the leash to assist all the great empires in their dealings with the Chinese Empire. I do not know what could have possessed the statesmen of Australia and New Zealand to send men to China. Their aid- I will not say was of no value, because I take the symbol of empire to be of more value than any physical value of the men. It is the symbol of empire, of our desire even to the uttermost of the dominions of the great

British nation, to assist each other wher- over possible, and particularly wherever neces- But in this case it was not neces- sary. There was no national appeal. The sary. Mr. Fisher front. I am aware the Victorians-and I think the Queensland men-were allowed to go, but they were not asked for, and as soon as convenient they were sent back. I am glad New Zealand did not put its foot in it to such an extent that we should have our men sent back after being sent to China. One can under- stand a colony like New Zealand, or any other British colony, assisting the Mother-country in any time of difficulty ; but I do not understand I why that feeling should extend to the acquisi- tion or annexation of a useless group of islands. This attempt to place upon those islands a con- stitution sufficient to govern any British colony is to me absurd. I will not use any stronger term. It is in the second place absurd, 3.30. because the proposed Bill will inevit- ably place upon this colony an additional burden which the people of this colony ought not to be called upon to bear. I do not wish to labour this subject any further. I shall call for a division, and I hope some honourable gentle- man will be kind enough to become a teller with me in order that my opinion on this Bill may be placed on record by my vote in this House. Mr. HERRIES (Bay of Plenty). - I must compliment the last speaker on his speech, and I shall be quite prepared to stand with him as teller in the division he has announced his intention of calling for, because it seems to me that the Bill which we have got now is even worse for the colony, and worse from a constitutional point of view, than the one we had before it was amended. Now, Sir, there I is one word which I object to in the last honour- able member's speech, and it is the word "an- nexation." Now, I maintain that these islands were not annexed by New Zealand. It is a common term, but a misleading term, and, I think, has misled the Premier. What has hap. 1 pened is merely that the boundaries of the colony have been extended to include these islands, which were previously British posses- sions. Therefore the Premier's argument which he used on the second reading of the Bill, about ceded territory, falls entirely to the ground. These islands are part of British territory, and are now included in the boundaries of the Colony of New Zealand. Mr. SEDDON .- You are wrong in stating the Cook Islands were British territory. Mr. HERRIES .- They were a British pro- tectorate, except Aitutaki, on which the flag had been hoisted. The Cook Islands, except for Aitutaki, were protected, but Aitutaki was 1 a British island, and Penrhyn was so also. Niue was not, but Palmerston, Suwarrow, and Manihiki Islands had been annexed. So that all the islands except Niue were practically British territory before being joined to New Zealand. Even if the Cook Islands were to be considered a semi-independent State, it is only Great Britain, as a sovereign State, that could annex; this colony could not. If the Cook Islands were to be considered as independent territory, they were annexed by the British Empire, and then our boundary was extended so as to include them, and therefore all our

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different islands of this group. I hold that you cannot get away from that position, and I say by this Bill we are proposing to set up almost an independent Parliament, in renewing, in a modified degree, the present Parliament of the Cook Islands under the name of "Federal Council." We are perpetuating a High Court of justice which we ought not to perpetuate ; we are perpetuating this burlesque Parliament which does not allow foreigners to become mem- bers of it, and for which no foreigner can vote ; and there is this objectionable feature intro- duced in the Bill which was not in it before it was amended : Before it was amended some- thing definite was laid down, in that the old laws, bad as they were, were declared to be in force until superseded, but now the Bill says the Governor in Council is to have power to modify all these laws which are at present in force in the Islands, and which have been passed by the so-called Parliament of these Islands. Therefore we are putting the Group more in the position of a Crown colony than it was before. Now, I say the proper statesmanlike way of dealing with this subject, having ex- tended our boundaries and taken possession of the Islands-which I think was a mistake in the first instance-is that we should have taken the constitutional view of considering that all our laws were in force

there. An Act should have been passed, if it could be passed-which I am not sure about constitutionally: I am sure that this one we are now passing is not constitutional - specifying the Acts of this Legislature which would not be in force there, such as the electoral laws, the Native land-laws, and other laws. That would have been the proper course to take. Now, the Pre- mier, when speaking on the second reading -I had not time then to deal with all the matters he spoke of - talked a great deal about the advantages of joining these islands to this colony, and he went into the volume of trade, and referred to the great amount we were going to get from the vanilla industry and pearl-fisheries and other matters, showing, so far as I could find out, that he was presum- ing on the ignorance of his hearers with regard to the state of these islands. Now, if you look up the trade of the Cook Islands, dealing with them first, it will be found that trade has been steadily decreasing during the last few years. Members will find the exports in 1892 were £15,394; in 1893, £18,703; in 1894, £18,937; in 1895, £19,084 ; in 1896, £15,486; in 1897, £21,751 ; in 1898, £11,209; and in 1899, £11,199. We have not been furnished this year with the state of trade last year in these islands, and I think we should have been. Mr. SEDDON .- It is about $50,000. Mr. HERRIES. - Well, the Premier may know it ; but he has not deigned to give it to the House, and I think it ought to have been put in possession of the House. Mr. SEDDON .- I read it the other night. Mr. HERRIES. - I like to see anything the Premier reads laid on the table of the House, so that I can read it for myself. I say he ought table. It was done last year and the previous year-every year as far as 1892-but this year it has been omitted. The Premier may say it is £20,000, but that sum may include some other things which I know nothing about. At all events, so far as the returns that are actu- ally on the table of the House are concerned, they show the trade has been decreasing. Now, the Premier spoke about the growing of vanilla. So far as I know, vanilla has been tried, and has been shown to be inferior to the vanilla grown in Fiji; and, so far as I can hear, what is produced in the Cook Group is not a market- able product. The Premier talked about sugar, but, Sir, I am credibly informed, by those who have been there, that there will not be sufficient arable land in the whole of the islands of the Cook Group to maintain a sugar-mill. Of course, a mill costs a considerable amount of money, and you must have a considerable area of land to grow the cane to recoup the expenses. I am assured, and I believe it is true, that there is not enough arable land in the Cook Islands to grow sufficient sugar to keep a mill going. Mr. FISHER. - How can there be, after Mr. Seed's description of the islands ? Mr. HERRIES .- The honourable gentleman quoted Mr. Seed's description, and I am quite certain the Premier is going to jeer at him because he quoted from a report of such an ancient date as 1873. But I want to point out that, when the Premier wanted to deal with the annexation of these islands last session, he produced this very report of Mr. Seed's, and members will see it bound up in the Appendices of last year. When he wanted it, the Premier produced it to induce us to agree to his scheme ; but, I suppose, now he will say that it is not worth the paper it is written on. I am only pointing this out before the Premier says so himself. Now, I will come again to these islands of the Cook Group. The Premier also mentioned, as an advantage in joining them with us, that we would get all the trade that at present goes to Tahiti. Well, Sir, according to the last trade report-that is, of 1899-im- ports worth about £2,329 came from Tahiti to Cook Group. The Premier says these imports will now come from New Zealand, or he wishes us to believe that ; but I am informed, and I believe credibly, that these imports, or at least the great bulk of them, are sent to Tahiti from Manchester, so are not French but English goods. All the dress - goods and cotton goods come from Manchester to Tahiti, because the French merchants give their orders in such a way, or require such material, that the Manchester people can execute in large bulk at a cheap rate, and they are sent from England to Tahiti, and then from Tahiti to the Cook and other islands. Therefore we will not get that trade any more than we did before. I say that what trade we got with the Cook Islands we shall get the same as we did before, and I do not think any more, unless the Federal tariff makes a difference, which I do not think it will, because there is not a large export to Sydney, and it is only sent to Sydney to be transhipped

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English bottoms. Now, with regard to some of the other islands, the Premier enlarged upon the great amount of money that we were going to get from the pearl-shell fisheries, and he especi- ally alluded to Penrhyn. Now, there are only two pearl fisheries of any importance in the islands we have joined to New Zealand - namely, Penthyn and Suwarrow, I am informed, and I believe it is true, so far as Penrhyn is concerned, the land is all in possession of the Natives. And we are bound by the terms on which we applied to have the islands handed over to us to respect all native rights in land. The natives have the rights of the pearl fishery, and, in the face of these rights, are we going to take away those rights and get an income from them ? Any income should go to the natives, and if we take it it would be wronging the natives, and I believe the contrary action would cause trouble in our new possessions at the start. Then, we come to the Island of Suwarrow, which the Premier is proposing, under clause 13, to hand over to the Admiral for a naval station. Well, Suwarrow is a fine lagoon harbour, but it is an atoll, or ring of coral, and a low island, and any hostile cruiser could shell the whole naval station from a safe distance without any trouble. Furthermore, the Island of Suwarrow belongs to a trading company. There is no Crown land on it, and we could not make it a naval station without paying compensation to that company. And they have labourers who are employed in pearl-fishing, and have all the fishing rights, so no income could be expected from this fishery. Mr. SEDDON .- You are misinformed. Mr. HERRIES .- My information is as good as that of the honourable gentleman's. Suwarrow is to be handed over to the Admiralty, compensation will have to be paid to this com- pany. Now, I come to the Island of Niue, or Savage Island. This is nearer Tonga than any of the other islands ; it is inhabited by quite a different population, who are more Malay even than the inhabitants of Rarotonga. It is a fertile island, but there is no good anchorage, so that it is not a good island for trading purposes. The Savage Islanders are the best people for labour ; they are the people who are employed in Samoa and other places for loading and unloading ships. They are the best labour people in the Southern Pacific, and the Premier will have to regulate labour from the island. In his speech on the second reading the Premier stated that he would not allow any more labour ; if that is the case, I think there will be trouble here from the start. The trade of Niue we shall not get at all, because it is mostly copra that comes from there, and that goes to Tonga, and is loaded in English bottoms ; or else goes to Sydney, and is loaded for Home there. There is no reason why it should come here, because we have no steamer running there. Mr. SEDDON .- We have a steamer running to the Tongan Islands regularly. Mr. HERRIES .- I am aware of that, but none of the Niue trade comes this way, except hats, I believe. The copra either goes Home Mr. Herries or to Sydney. Altogether we know little about \-- these islands, beyond the Cook Islands. We know a little more about the Cook Islands, as we have returns of trade in regard to those islands, since we had a British Resident, and it. does not show that we are likely to get any great advantage from joining these islands. So far as. I am concerned, I have always voted against it. It may be a good thing for the natives, but I 1 am sure it is not a good thing for our own people here. The Premier looks at it from an Imperial military point of view. How glad the English Government must have been to get rid. of them ; and how foolish they must have: thought us for taking them! We have ad- vanced our boundaries five or six hundred miles- nearer the French settlements, because Raro- tonga is about six hundred miles from Auck- land, and only two hundred miles from Tahiti,. so our country now marches with the French ; and, supposing our country were at war with. 1 France- and we have been on the verge of it more than once lately-our boundaries would ! join with those of a country with which England would be at war, and we should have to send a contingent to defend these islands. The probability is that next year's estimates will contain provision for a gunboat. or man-of-war to defend our new possessions. I join issue with the honourable member for Wellington City that it is a good policy for a sea-Power to take possession of outlying islands. I say it is far better to let the enemy have

them ; and I think it will be readily under- stood by those who know anything about naval or military matters, such as the honour- able member for Auckland City (Mr. Napier), that it is nearly always the case that a sea- If Power, when war is declared, takes possession. of the outlying possessions of the enemy. A great sea-Power gets the trade anyhow from outlying islands, so should let the other nations spend money on them, and then, in case of war, take possession of them at their leisure. If they were at war with a sea-Power the holders of these islands would have to send out expeditions to defend them instead of at- tacking the sea-Power, so that, except to a sca- Power, they are sources of weakness. These islands are dotted about as a sort of hostages for inferior nations. If any one knows the history of England he knows that England possessed nearly every island in the world at one time or other, but in treaties of peace many of those islands were given back to other Powers. For instance, we formerly possessed Java, Sumatra, Cuba, Manila, and practically all the West Indies. An Hon. MEMBER .- Just the same as we gave up Samoa. Mr. HERRIES .-- I would ask under what conditions was Samoa given up? Is not the Transvaal of more worth than Samoa ? And does not the Premier think that it will be better for the Empire to get the Transvaal and the Orange Free State than to get Samoa ? An Hon. MEMBER .- How does that affect the matter ? \----- Mr. HERRIES .- If the Germans had joined

Transvaal would have been worse than the first, and certainly worse than it is at present. These islands are often used as counters by the Im- perial Government in playing the game. Look- ing at the matter from an Imperial point of view, I think the Imperial authorities were perfectly right, probably, in the action which they took. I would ask, Is not Samoa a source of danger to the Germans? For instance, if we went to war with Germany, the first thing we would do, no doubt, would be to send an expedition to take Samoa. Mr. SEDDON .- No; that would not be prudent. Mr. NAPIER .- Samoa is a menace to us now. Mr. HERRIES. - It is a menace to the Germans-that is, as long as we have the sea- power. An Hon. MEMBER. - You are contradicting your own authority. Mr. HERRIES .- I thought the honourable member for Auckland City (Mr. Napier) would have sided with me on that point, but I am afraid he has not studied the works of Captain Mahan. At any rate, we have extended our boundaries, and that must mean that there will be expenses connected with that. We cannot avoid that. The very fact of the existence of our boundaries at such a distance from New Zealand must mean expense in various ways. The Premier, in moving the second reading of the Bill. spoke about illicit whisky and rum and gin which were landed on these islands, and he said that he must try to stop that. Here is another item of expense. That means that we will have a gunboat patrolling the waters round the islands in order to see that cargoes of liquor are not taken ashore. The English Government will say, "Oh, here is Seddon taking all these islands, and he is saving us the trouble and expense of policing Hitherto the them with our gunboats." English Government have had gunboats patrol- ling these waters to look after beachcombers and others, but now that duty will devolve upon us. But, coming back to the Bill, I do maintain that we are wrong in maintaining the High Court of justice in Rarotonga; and not only do we retain it, but extend its influence over all the other islands beyond the Cook Group. Formerly it was only the High Court of Rarotonga and the Cook Islands, but in this Bill we are asked to extend the jurisdiction to Penrhyn. Niue, and other islands. We also maintain the ridiculous system of the Federal Council, which is also to have jurisdiction over these islands which it had not before. The Island Councils are inferior bodies, I presume, and above them comes this High Court of Parliament, which has jurisdiction over the other islands. We are also creating a new Council for the Island of Niue. The other Councils may or may not be continued as the Bill is amended ; but the Council of Niue must, while Penrhyn Island apparently is to be left entirely to itself, although we have sent Mr. Percy Smith there with the power of creating regard to Penrhyn. The Premier promised to lay on the table of the House the Gazette of the Cook Islands as it was issued, and I trust he will fulfil that promise. I have seen a copy of the Cook Islands Gazette which has recently been issued,

and it is issued in the name of Makea, the Chief of the Government. Surely that is a wrong thing. There is no Chief of the Government now-at least, I hope not. At any rate, the present position appears to be anomalous. I also noticed that there was a clause in the Gazette saying that the regula- tions under the Import Duties Act 1 and 2 of 1891, and No. 3 of 1898, will apply to the Island of Penrhyn until His Excellency so decide. The Minister of Customs told me that the old Acts had been repealed. He said he had sent instructions that the New Zealand Customs laws would be en- forced ; but by this Gazette it appears that they are going back to the old import duties imposed by the Parliament in Rarotonga. I trust that the Premier will see that the duties will be the same as the Minister of Customs informed me they would be. I rather wish that the Premier had started this debate, and given us informa- tion on some of the points I have referred to. I cannot think that he is satisfied with the Bill, or that he thinks it will carry out what he wants. It practically makes the Governor in Council autocratic, and makes the Cook Islands a Crown colony to New Zealand, which seems to me undesirable and unconstitutional. Mr. WITHEFORD (Auckland City) .- I do not think we are doing any good to the colony by taking up so much time in discussing this subject. There is no doubt that Great Britain requires all the possible power and prestige in the Pacific Ocean, and I think it is to be regretted that our enterprising Premier was not in office twenty years ago, and with the present Parliament at his back. If so, he would not have lost Samoa or Tahiti ; and our political position in the Pacific would have been very different from what it is at the present time. It has been the vacillating policy pursued in the past with respect to these islands that has led to our losing many of them. I shall cer- tainly support this Bill. Mr. TANNER (Avon). - With reference to the Bill now before us, there is no doubt room for a great deal of criticism of its details so far as it is detailed; but I must remind honourable gentlemen who have spoken that the House, having committed itself to this policy-a policy of which I at the time approved, and which I still approve -- it is necessary that the Islands must be subjected to some kind of government, and though perhaps we might not exactly ap- prove of the tremendous powers given to the Governor in Council, it is certain that the Islands cannot remain a portion of New Zea- land and yet be left in their present condition whilst separated as they are by such a vast stretch of ocean from the rest of the colony. I think that this is to be borne in mind by the Premier, and by not only the present Go- vernment, but by any subsequent Government :

between the Islands and New Zealand, and rudely and indiscriminately to thrust upon the islanders a mass of complicated laws, will un- doubtedly lead to trouble, and the only thing we can do is to hope that, in the future, who- ever may be Premier may be possessed of suf- ficient wisdom to understand that. There must be some form of government, though the Bill itself is open to a very considerable amount of criticism with regard to the form it imposes on the people. As my name has been drawn into the discussion, I may as well say I believe the Premier has done right in extending the boun- daries of this colony to include the Islands, although he has not done it in the best possible way. What I want to call attention to is this : that the House has not been furnished with the information on the subject which it ought to have been furnished with. When, last year, the proposal was made to annex the Cook Group, the House was amused with a repub- lication of stuff from twenty-five to thirty years old copied from reports published in 1874, but compiled before that date. That was all that was available at the time in a handy form ; whereas scattered through the blue-books there is a mass of information, which might have been collected by a person of ordinary intelligence, and had it been published in a convenient form it would have been more valuable than the old material which was presented to us last session. But, as the Premier or the departments did not seem to consider this matter as coming within their own sphere, I have been compelled, during the last two sessions, to toil painfully through all the despatches in the papers marked " A," which include the correspondence with the Colonial Secretary in the Home-country re- garding the Islands of the Pacific ; and I find that some of the statements which have been made in

the House with regard to the Islands -and especially to their population-are not borne out by the published figures which are available to the House. If the Premier is in possession of later information it is his duty to lay it before us, but I will put the House at the present time in possession of the information which has been collected from all the papers (legislative and political) from the year 1892 down to and including the present year. The population of the Cook Islands is undoubtedly decreasing. That is absolutely proved by a comparison of figures. For years we were given to understand that Rarotonga had a population, some reports said, of 3,000, some said 4,000, but if honourable members will look at A .- 3, 1896, they will find on page 4 a partial census of the Cook group, forwarded to the Colonial Government by Mr. Moss, Resident Agent, in which the population of Rarotonga is ascertained by actual census to be 2,454. If honourable gentlemen will look at A .- 3, 1900, page 25-I am compelled to be very detailed and precise in this matter in order to avoid contradictlon later on -they will find statistics taken of the popu- lation of the Island of Aitutaki covering four- teen years, which shows it had a population of Mr. Tanner had been previously stated at 1,400. If they will look at A .- 4, 1898, page 7, they will find there a census of Atiu, showing the population to be 826. There is a statement, also, in the census return to the effect that it had been im- possible to carry out the census of the Island of Mangaia, which seems to be an unruly mem- ber of the group, and its people not always in accord with the rest of the islanders. But a statement has been furnished showing the rates of mortality for that and the other islands, but not of the population, because no census had been taken. Assuming that the rates of births and deaths at these islands were the same as in other islands of the group, the population of Mangaia would be under three thousand, and the population of Mauke and Mitiaro, on the same basis, would be about one thousand more. The estimate for Mangaia is ample, for, in a letter by Mr. Moss, to be found on page 32 of A .- 3, 1898, he speaks of Mangaia as "having little more than two thousand all told." Takutea was uninhabited ; and as for the other two islands-Manuae and Te Anotu- which did not amount to much, they are occa- sionally visited by a fishing party or by people in search of whatever treasure-drift may be thrown on the reefs or coasts. Here I may remark that many honourable members seem to be under the impression that all the islands which were annexed belonged to the Cook Group, whereas there are other islands that were annexed divided by great stretches of ocean from the Cook Group. Several degrees to the north of them lie a few islands called Manihiki or Humphrey, Rakaanga or Reir- son, and Tongarewa, otherwise Fararauga or Penrhyn-pearl-shell islands of some import- ance. The population of these islands has somewhat increased during the last twenty years, but as the numbers are very small they affect the total to a very inappreciable Manahiki has a population of 560, extent. Rakaanga 370, and Penrhyn 466, and these figures are available to honourable members. In A .- 1, 1901, pages 31, 32, and 33, they will find the details given. There is also Pukapuka or Danger Island, which the Admiralty reports having 377 inhabitants in 1880, and another small island known as Nassau, which is re- ported to have had three inhabitants in 1880. I think we can treat that as a negligeable quantite. The Island of Avarau or Palmerston had thirty-two inhabitants ten years ago, ac- cording to the paper A .- 2, of 1892, page 11, Suwarrow is now possibly uninhabited, but it had eleven persons resident in 1888. With regard to the decrease of the population, it is most strikingly exemplified in the case of the island called Niue or Savage Island, which lies several hundred miles to the westward of the Cook Group. According to the Admiralty pub- lication lying before me, here is a statement that "the population in December, 1872, thirty years ago, was 5,124, and it is increasing. The number of females is in excess of that of the males." Well, that statement that the population was increasing appears to have been

page 34, a distinct census of the Islands, giving the population of each separate district, and the total amounts to 4,578, including 500 or 600 away as mariners on ships. That is a de- crease of several hundred in the course of thirty years. It is the same with Rarotonga and one or two others which I have

mentioned, so I consider it proved that, after all, some decrease is going on in the number of the inhabitants of these islands. Various reasons may be as- signed : that numbers of them go on long voy- ages, or leave one island and proceed to an- other, either for labour or fishing. Whatever the cause may be, they sometimes go entirely outside the New Zealand sphere of annexation, consequently, for the time, they are lost to the population comprised in the jurisdiction of this colony. However, all this goes to show that some of the statements which have been made in the House in the absence of reliable informa- tion have been inflated, and it has not been possible for members to arrive at the truth so readily as it ought to have been. The total population of the Islands, according to the figures which I have given, does not reach 15,000, and it does not appear that the total of the Cook Group ever did reach 15,000 within any recent years. As an instance of the difficulties one has to encounter in dealing with a subject like this, I may say I have searched the House from end to end, and there is no map of the islands within "the annexed sphere " which is equal to the one in my hand, which is a manuscript one made by myself. We may get Admiralty charts of islands or harbours separately, but they do not give the general information which we want. They may give a mass of detailed information re localities. For instance, here is an Admiralty statement which perhaps may throw a little light on what the honourable gentleman (Mr. Napier) has just said. We had a statement by the Premier, by way of interjection, some time ago, to the effect that Suwarrow is uninhabited. I do not say that it is not. But here the Admiralty publi- cation on the Pacific Islands, page 84, states the lighthouse on Suwarrow is in 13.13 south latitude and 163.9 west longitude. You would hardly have a lighthouse unless you had people arriving at and departing from the islands. British enterprise achieves some preposterous things, but it does not generally put light- houses where they are not wanted, and it does not put them in a waste of waters for the fun of doing so. All this information should have been available for us last year, and a great deal more. I cannot help blaming the Premier for the manner in which this matter has been overlooked or suppressed. Mr. SEDDON .- It was all in the despatches. Mr. TANNER .- Yes ; but the work of sifting the despatches is like going through a sackful of chaff in order to find two or three grains of wheat. And we should have a decent map of the Pacific. It is a discredit to the House that beyond the atlases we have nothing but maps based on the Admiralty chart of 1854. Last session I called the Premier's attention to this, information available would be collated and compiled down to the most recent date. That promise was not carried out, and I reminded the honourable gentleman of it earlier in the session, and again I got a verbal promise ; but nothing has been done up to the present time, though so much needed. Mr. SEDDON .-- All the documents will be laid on the table. Mr. TANNER .-- It is a pity that was not done a couple of years back. It is not my wish, however, to find fault or flaws in matters of this kind. The Premier has had a difficult task to do, and he has done it in a somewhat heroic manner, investing in the Governor in Council the powers over all these Islands. In that, per- haps, he has done too much. But this must be said : that the House has not improved this Bill in Committee in any way to recommend it. The House has deliberately committed itself to the policy, and I think the House was right in doing so. I think it is a wise policy, and I wish that years ago the Parliament had been in- spired with the same spirit to secure many of the leading points in the Pacific when it was possible to do so. I shall support the honour- able gentleman in the third reading of the Bill. Captain RUSSELL (Hawke's Bay) .- I think the honourable member for Avon has been un- just to the Premier. It is not my usual mission to defend the Premier, but when the honour- able member accused him of not supplying this House with the information necessary to the debates and speeches on the incorporation of the Fiji Islands, I think he forgot that he him- self was particeps criminis-that is to say, he may possibly remember that last year, when this question was unexpectedly forced upon the attention of the House, I rose in my place and protested that the subject was brought in un- expectedly, and that honourable members, or I myself, at any rate, was not properly posted for a debate on the subject, and urged that the order of the day should be postponed. The Premier said that we need not think about the

matter-that the time had come for action, and there was no necessity for thinking at all. I therefore said that I regretted my unfortunate position, inasmuch as I was compelled to de- bate a question I was not thoroughly posted up in. I regretted being placed in that position. And yet it is astonishing to me, on reading my speech of last year, to find how prophetic my words have been, and how nearly every- thing I then predicted has, unfortunately, come true. But no sooner had I sat down than my honourable friend the member for Waihemo -Mr. Mackenzie-moved the adjournment of the debate, with the express reason that we should be supplied with the information the lack of which the honourable member for Avon now deplores. On turning up the division-list I find that those who were anxious that there should be mature deliberation before so im- portant a step was taken -- those who voted for the adjournment-were only fourteen, as against thirty-eight who were prepared to

formation at all ; and I regret to have to say that that ordinarily prudent member, the mem- ber for Avon, was one of those who voted against the adjournment. Therefore, when he rather scolds the Premier, I think he is a little bit unjust, for, when he had the opportunity of demanding the information which we thought was essential, he did not avail himself of it. Then, I also have to disagree with almost the last words he uttered --- namely, that the House last year, in a deliberate manner, decided upon the incorporation of these Islands. I say the conduct of the House was the very reverse of deliberate. Not one of us knew what lia- bilities were being incurred, and we have scarcely yet realised the trouble we have got into. I admit we are in a position in which it is difficult to know what is best to do ; and, that being so, I think it is better to re- main in statu quo for a year than to pass a Bill which I believe will only intensify the trouble. The honourable member for the Bay of Plenty has spoken very soundly upon the subject, and the honourable member for Wellington City (Mr. Fisher) also made a very excellent speech, and the honourable member for Avon was, as he But, always is, accurate in his information. Sir, I would like to point out that, though we are giving great power to the Governor in Council under this Bill, I am not so sure that that is not better than retaining the power in the hands of this Parliament. We shall, at any rate, have a responsible high official who can, of course, give his decision only after consultation in Council, and we may be sure that there will be some kind of deliberation, however slight, before a decision is arrived at. Look at this House now : there is hardly a quorum when this great national question is being considered, and yet to the Parliament of New Zealand is to be granted the power of deciding which of its laws are to be brought into force, and what are not to be brought into force, in this widely-distributed island group. Much as I deplore that we should have to give this extra power to the Governor in Council, I honestly admit that it seems to me to throw the responsibility on Ministers, instead of leaving it with that multitude of counsellors who in their wisdom are not present to assist in this debate. In looking at the Bill,-and here let me say that I believe that after all the difficulty we have got into, the Cook Islands will have to be administered in the same manner as a Crown Colony : that may be held to be, and very probably is, unconstitu- tional ; but is it more unconstitutional than the form of government which is in this Bill before us now ? That we have actually incor- porated the Cook Islands as part of the Colony of New Zealand is, unfortunately, true, and therefore, if it is so, it is extremely doubtful whether we shall not be exceeding our con- stitutional powers in legislating in this par- ticular way. I do not see that it is a bit more unconstitutional to treat the Islands as a Crown colony than it is to make them par- tially so, as will be the case under this Bill. Captain Russell short-but I would ask the House to consider for a moment what the original inhabitants of this group hoped and believed was to be the principle under which, to use their own words, they say they were to be annexed to New Zealand. They had no idea or intention what- ever that the Governor in Council or the Par- liament of New Zealand would be allowed to enforce upon them such laws as they thought fit. Under the petition which was presented to Parliament last session, just two minutes before I was compelled to rise in my place and speak on it-in that petition, of which we had never

heard and had never seen before, a petition that was merely read by the Clerk and had not been printed, and which I begged might be printed and put into our hands before we debated the subject-we have certain statements I wish to draw attention to ; and that petition being presented and read just before the reso- lution on the subject was proposed by the Premier, may be taken as containing the views of the Natives of the Cook Group as to the laws that they were subjecting themselves to. This petition, I say, we must consider purely as set- ting out the position of the native people. If you take the part of the globe in which these par- ticular islands are situated, you will find that almost without exception they are within the tropical limits, and therefore it is only reason- able to believe that, with a native population that is diminishing, and a European population that is not increasing- at any rate, a European population that I venture to say will never be worthy of sending a census officer to count the numbers-the position will be a peculiar one ; so we must consider the subject purely from the standpoint of a native population that, as I have said, is, unfortunately, diminishing. The European population may consist of a few traders, a few beachcombers, a few people who have antagonism to civilised methods, and who prefer to live in a tropical climate, where the life is one of indolent ease; but we shall never have a vigorous, energetic, British community living in these islands. That, how- ever, is by the way. I find that in the 3rd clause of the Bill,- "The Governor, by Order in Council, may from time to time direct that any of the laws in force in New Zealand, other than the laws relating to the sale of alcoholic liquors, shall have operation and be observed in the said Islands, as in his opinion are expedient for the peace, order, good government, and welfare of the inhabitants." Now, the petition of the people of the Cook Islands, the petition under which they were annexed, differs absolutely in principle from the principle laid down in that clause. The Bill proposes that the Governor in Council is to bring into force in the Cook Islands such laws as he thinks fit. On the other hand, the petition on which we consented to the annexa- tion of the Cook Islands-it may be found in Volume 114 of Hansard, page 394, of last ses- sion, says :- " And whereas the Legislature and Govern-

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ment of the Cook Islands have already adopted | mitted for the final decision of the High Court the criminal law of New Zealand as a guide for the High Court, and have passed certain statutes suitable for the requirements of this small community, we ask that such of these statutes as shall be found in accordance with the spirit of English law shall be respected, and that the general laws of New Zealand shall only be introduced as required and adopted by the Council of Arikis." Mr. SEDDON .- Hear, hear. Captain RUSSELL. -- The Premier says " hear, hear," but, to my reading, that is an absolutely different principle from the principle laid down in clause 3 of the Bill. We can, if we choose, enforce on them the whole of the laws of New Zealand; but, in their petition, they demand no law shall be introduced into their Islands unless the Council of Arikis decide that such shall be the case. Then, I look further, and I find that, under clause 6 of the Bill,- "The Governor, by Order in Council, may from time to time establish a tribunal or appoint an officer or officers, with such powers and functions as he thinks fit, in order to ascertain and determine the title to land within the said Islands, distinguishing titles acquired by native customs and usage from titles otherwise lawfully acquired; and may provide for the issue of instruments of title, and generally make such provision in the pre- mises as he thinks fit." There are other clauses in the Bill, which I need not read to the House, which provide for reserves for military and other Government purposes, entirely at variance with the provi- sions of the petition of the Natives, which, as I say, unfortunately for the House, was not read before we decided without any consideration to annex or incorporate the Group last year. Mr. SEDDON. - How did it get into Hansard if it was not read ? Captain RUSSELL .- By special permission of the House, which was granted most im- properly, because the Premier urged that the petition which was read by the Clerk should be incorporated in Hansard, and, unfortunately, the House agreed, as it always does agree, to any demands made by the Premier. Mr. SEDDON .-- The House

knew quite well what it was doing. Captain RUSSELL .- Probably the House was as empty as it is now-only a certain num- ber of members interested in the debate were listening to what was being said : but a con- siderable number were not in their places. Even if they had heard it read, the principle of digesting a petition which is simply read, and deciding the policy of the country on it at the moment, is one that should not be countenanced. However, in clause 6 it is the Governor in Council who is to decide as to the ownership of the land in the Cook Group. Now, listen to the provisions of the petition :- "(2.) That the land rights of the people of these Islands shall not be vitiated by annexa- tion, and, if any question shall arise hereafter as to those rights, such question shall be sub- of the Cook Islands." Mr. NAPIER. - Colonel Gudgeon prepared that petition. It is his own idea. Captain RUSSELL. - I have not the least idea who sketched out the petition. I see it was signed by Makea, Karika, Ngamaru, Tino- mana, Pa, and Kainuku, and that it was trans- lated by Frederick Goodwin, Government In- terpreter. But we have no record on our Journals that it was not the petition of those people who signed it, and that it was the petition of the Government's representative. If it is the petition of the Government's representa- tive, are we to be told that on the petition of a salaried officer of the colony we are to annex the Cook Islands, and that the petition is fraudulent, and is not what it represents to be ? That is the argument of the honourable gentle- man, and I am sure he is the last who would seriously say such a thing as that. Then, also, as an illustration of the views of these people with regard to annexation, I find this in the petition : "And whereas the administration of the Cook Islands has hitherto been carried on with the utmost economy, all official appoint- ments to the public service of the Cook Islands hereafter to be made shall be sub- ject to the approval of the Island Council, and no public officer shall be dispensed with without the same approval." That is entirely different from the intention of the Act now before us, which takes the power out of the hands of the Island Coun- cils and places it in the hands of the Governor in Council. We must guard against this. I hope and trust we shall not have a hostile popu- lation in those islands ; but it is quite possible if we endeavour to enforce the New Zealand laws more quickly on those people than they can assimilate them, we may easily have a disaf- fected one. Sir, I shall vote against the Bill on the same principle that I did last year. I pre- dicted then that it would be necessary for us to have gunboats to protect our trade, or, at any rate, to prevent smuggling. We have not got into that position exactly, but I notice that in the Bill there are ports fixed as the sole ports of entry in the Group, and we have steamers that run backwards and forwards between New Zealand and the Islands, and these vessels, I have no doubt, will yet be armed with Maxim and other guns to pro- tect our trade, for as sure as there is profit to be made by disreputable traders there will be smuggling from the Cook Islands in the most extensive fashion. I presume that vessels cleared from the Cook Group will not be searched on arrival in New Zealand, and, as the Islands have no means of protecting their trade against smuggling, I am bound to say the traders could load up their vessels at the Cook Islands in a way that would lead to any amount of illicit trade. On the whole, I think it would 4.30. be better that we should defer this Bill until next year, or until some scheme is thought out for the proper administration of the Cook Islands. That they should be administered by

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colony, and not as a constitutionally governed colony, I feel quite certain. Mr. J. W. THOMSON (Clutha) .- Sir, I do not think there is sufficient information before us to enable us to say distinctly that this proposal will turn out a success or otherwise. We must just live in hope. I think the union might be a success, but it would very greatly depend on good management. The honourable gentleman who has just resumed his seat says that the only way the proposal can be a success is to treat these possessions as a Crown colony. The British Resident who is there occupies rather a singular position. He is not like the Governor of a Crown colony, for if he were he would be the chief law-maker. He is rather like the Governor of a self-governing colony, but with- out a responsible Ministry. There is, though in a very humble way, a

Federal Parliament, and every island apparently has a local Parlia. ment. We may therefore expect that there will soon be plenty of laws. Both the Federal and the Island Parliaments will be making laws. I think it would have been better if we had kept out some of the clauses that are now contained in the Bill. There is one clause pro- viding that we may apply some of our laws to these Islands. I think there was no neces- sity for that, nor was there any neces- sity for providing that there should be an investigation as to the titles to lands. They hold these lands under native cus- tom, and I am sure it would be very much better that that and the making of reserves should be left to the natives themselves. My opinion is that, if this scheme is to be a success, there must be very little interference on our part with the natives. That, I feel sure, is the secret of any success that may attend the pro- posal. Let us keep on the spot a British Resi- dent of good sound sense, who will always be giving them good advice. If we do this they will rise to the occasion. I feel certain that, if this scheme is to be a success at all, it must be by giving good advice to the natives, and not by interfering with them. Mr. NAPIER (Auckland City) .- Sir, I do not propose to discuss the policy of this Bill, as some honourable members have done, on this occa- sion-the House affirmed the principle of the Bill on the second reading-but at the same time I think I should take the opportunity of explaining why I am voting for the third read- ing. By section 14 of the Bill it is provided that it shall remain in force until ten days after the expiration of the next session of Parliament, and no longer, unless further by Act of the Gene- ral Assembly extended. I therefore regard the measure as a mere transitional expedient while the Islands are passing more effectually under our control. But it cannot be disguised that the Islands are now a part of the territory of New Zealand, and that the whole of our laws are in force in those Islands at the present moment, just as they are in force in the Chatham Islands or in the Great Barrier. We should rather consider what laws of ours should not apply to the Islands in future. Captain Russell the native race here, and there are many of our laws which would be quite inapplicable to the circumstances of those Islands ; but I do not see why our common law and the major portion of our statutes should not apply there when, as a matter of fact, the law of Eng- land is in the main now, or was until re- cently, administered in the High Commis- sioner's Court. If members would read the Imperial Western Pacific Order in Council they would see that English law-practically the same law as we are living under-is now administered in those Islands by the Judicial Commissioner, who is the Judge of the High Commissioner's Court. I mean to say that the function of Judge was exercised by the Judicial Commissioner in the High Commissioner's Court until the time of the incorporation of the islands with New Zealand ; and it is a question, I believe, as to whether the High Commissioner's Court has even now ceased to exist, inasmuch as the Cook Islands are mentioned in the schedule to the Western Pacific Order in Coun- cil. I think honourable members who have not visited the South Sea Islands have naturally a false idea as to the kind of people the islanders really are. For instance, take the honourable member for Clutha, who spoke just now. I feel sure if he had visited the Islands, and had lived among the people there, he would not have thought that all those institutions with high- sounding names have any vital existence. They are really so many fictions or shams. All those institutions are, as a matter of fact, simply Lieutenant-Colonel Gudgeon, the present Bri- tish Resident. The natives themselves are a simple people, with the most primitive habits ; they do not care either for elaborate laws or grand institutions, or parliamentary Govern- ments. All they want is to be allowed to eat their oranges and their cocoanuts in peace. They live their simple form of life, and really one white man, even with the powers of an absolute monarch, would scarcely ever require to interfere with the people in any of those islands ; the people are so peaceful and their ideas of civilised life are so limited. Therefore I think, as I have said in this House before, that if we had appointed a Resident Magistrate as sole functionary-a man who would know how to act with discretion-that would be all the government you would require for some time to come, coupled with a provision to enable the Natives to manage their own affairs in sanitary questions and other village matters, just as is done in the case of the Maoris in New Zea- land under the Maori Councils Act. The na-

tives of these islands are virtually children, and the main error that Mr. Moss, the former British Resident, made was to attempt to force high- sounding institutions upon people who were really not prepared for them, and would not be fit for them for many generations. Mr. HERRIES .- Colonel Gudgeon did the same. Mr. NAPIER. - Undoubtedly. Of course every official loves power. Colonel Gudgeon desires to obtain as much power as possible in
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Zealand. But what I do think is this : that it will be a mistake to subject our white fellow- colonists in the Islands to the rule of the Na- tive Councils, because the Native Councils will be simply Colonel Gudgeon. The natives in the Councils will do exactly as they are told by the British Resident. If you left them to them- selves they would pass a lot of amusing simple laws affecting their social habits, but they would pass nothing in the nature of Bills such as we see are now passed by the so-called Native Par- liaments. I do not think we should subject our white fellow-colonists to taxation without re- presentation. It is a vital principle of our Con- ! European politics, was most eager that Samoa stitution that, in taxing our fellow-colonists in the Islands, we should give them representation in the taxing body-that is, at present, in the Federal Council. It will not do to tax them, and place them under the arbitrary rule of one man, without giving them an opportunity for having their voices heard. That would indeed be to re- introduce the infamous principle of Lord North. I hope that if any officer is appointed before next year, under section 6 of the Act, to in- vestigate titles to land held now under native 'custom, that there will be no individualisation of titles. To individualise titles in the Islands would be to introduce a principle which is not only unknown to the natives, but which is re- pugnant to their cherished principles, and I think it would only result in very great injury to the native race in the Islands. The land there is practically held in a state of com- munity. The chiefs have, I believe, certain rights, but practically only as trustees for the people, and I think it would be a great mistake if we individualise titles, issued certificates of title under the Land Transfer Act, and then permitted the alienation of the fee-simple. Whatever is done, I think it should be in the direction of the Crown becoming trustee for the natives for the purpose of leasing to Europeans surplus land, and the Commissioner of Crown Lands for the Auckland District could be con- stituted the trustee of the surplus lands for the benefit of the natives; or the Public Trustee might be appointed. But, if any interference with the status quo in land matters is contem- plated, alienation should only be by way of lease. There should be no sale of the freehold in the Islands-of course, safeguarding existing rights. Some of the remarks of the honourable member for Wellington City (Mr. Fisher) were deserving of attention, though much of what he said did not merit serious consideration. I commend the remarks which were made in re- ference to Samoa. I have always felt that it was a great blow to New Zealand and to the Empire when Germany was permitted to come into Samoa and to obtain the exclusive right to Upolu. The natives of those islands have almost piteously appealed to the people of New Zealand to be incorporated with this colony. At their own expense they sent an embassy many years ago to the New Zealand Parliament, and those chiefs prayed that their country might be incorporated with New Zealand. They dreaded at that time to be | sion of islands and outlying places that has so cousins-and I rejoice to know it-are within some seventy miles of the German territory, in the harbour of Pango-Pango, in the island of Tutuila, yet there is no doubt that the presence of a German naval station at Apia has given us a sense of insecurity here which did not exist before. In 1886 I conferred with Malietoa, the late King of Samoa, on the future of his islands, at the request of Sir George Grey, who gave me a letter of introduction to the King; and that great chief Malietoa, who was a man possessed of considerable information, and understood should form part of the territory of this coun- try. In 1889 I was again at Samoa and had considerable intercourse with Mataafa, the then reigning king, and he also was anxious that his country should be incorporated with New Zea- land. For the last twenty years we have abso- lutely neglected our opportunities so far as Samoa is concerned, and those islands are the pearls of the Pacific-fertile beyond

measure, rich in trade, and in every way prosperous ; and yet, through our supineness, we have allowed the German Empire to come in and establish itself as a naval and military Power in the direct track of our commerce, throwing its shadow over this colony. There is an objec- tionable feature in the Bill, to which I wish to refer now, and that is that the existing Courts are preserved in which the Resident Commis- sioner will be the Judge. I submit it is a most dangerous thing to permit an officer administer- ing the Civil government to become a judicial officer. In the British Constitution, and in the American Constitution, the executive and the judicial officials have always been kept apart, and I hope that when full consideration is given during the recess to the problem of governing these Islands-as no doubt it will be given - the Government will determine that whoever is to be the judicial officer, and whatever he is called, the same person shall not be the Resident Commissioner. As I have said, I am not discussing the policy of the annexation as it is called, because I thoroughly I believe in the policy of the believe in it. Government to incorporate as many as possible of the Islands of the Pacific with New Zea- land. There are very few islands left now for us to incorporate, but it would have been of in- calculable advantage to this colony if, fifty years ago, when the first proposals were made by Sir George Grey to Downing Street for the establishment of a Pacific Island confederation, those proposals had been carried into effect. The honourable member for the Bay of Plenty (Mr. Herries) championed what I thought were the principles of the Little Englanders. He said, " I do not believe it is good policy for a sea-Power to take possession of islands and out- lying places." Mr. HERRIES .- Outlying islands. Mr. NAPIER .- Islands and outlying places, I think the honourable member said. Well, Sir, it is precisely the policy of taking posses-
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England have been to-day were it not for her islands and outlying places? Froude, in his " English in the West Indies," answers the question. He says :-- " Here is the answer to the question so often asked, What is the use of the colonies to us ? The colonies are a hundredfold multiplication of the area of our own limited islands. taking possession of so large a portion of the globe, we have enabled ourselves to spread and increase and carry ourselves, our language and our liberties, into all climates and continents. We overflow at home ; there are too many of us here already ; and if no lands belonged to us but Great Britain and Ireland we should be- come a small insignificant Power beside the mighty nations which are forming around us. There is space for hundreds of millions of us in the territories of which we and our fathers have possessed ourselves." The Right Hon. the Premier has to look to the future. As the head of the Government he is in a large measure responsible for guid- ing the destinies of this country. I believe the time will come when New Zealand will have a teeming population, and when it will be possible to have a considerable settle- ment of white colonists in these islands. The honourable member for Hawke's Bay said he did not think the white population would ever increase in the Islands. I believe the white population will increase in those Islands with the introduction of capital. There has been no organized attempt to introduce capital ; but when capital is systematically introduced, and with it modern methods of agriculture, as far as Rarotonga is concerned I believe that a large proportion of the tropical and sub-tropical products we now import into New Zealand will be produced there; and if an energetic company, culti- vating the soil according to modern methods, is established there, if systematic cultivation is gone on with, I believe the white population must necessarily increase. As I have said, the Bill is a mere transitional expedient, and on that ground I do not object to it, though it offends my convictions in several respects ; but next year I hope the whole problem will be tho- roughly dealt with : that it will be thought out during the recess, and that we shall have as the result a simple yet comprehensive Bill, by which such of our laws as are inapplicable to that por- tion of New Zealand will be inoperative there, while the major portion will be brought into force. I doubt whether you can constitutionally set up a different form of government for a particular portion of the territory of New Zealand. It may be that, under certain circumstances, we have the power to alter our laws, or suspend our laws, so far as a particular section of

the com- munity is concerned. For instance, we may suspend the Habeas Corpus Act in a certain district, or we may pass laws affecting a par- ticular portion of our population-as the Native race. But I doubt whether constitutionally there is a power in this subordinate Parliament- Mr. Napier operation over a certain portion of our territory, and that over the remaining portion of our territory they shall not have operation, but that a personal and arbitrary form of government shall be set up. I do not think there are any insuperable obstacles in the way of drafting simple measure to meet the circum- a In stances. For instance, take the Great Barrier Island, off the northern coast : why should not our laws, so far as the white population are concerned, apply to the white population in the Cook Group as they do to the white people at the Great Barrier, or the Chatham Islands ? The Native problem can be met as the Native problem in New Zealand has been met. But to go so far as to say that New Zealand laws shall not operate over a particular portion of New Zealand territory because it happens to be a few more miles away from the mainland than, say, the Great Barrier, is to me a constitutional position which I do not think is tenable. The vesting in the Resident Commissioner, by sec- tion 5, of such powers as may be decided by the Governor in Council, is, I think, preferable to allowing the Resident Commissioner to exercise. the functions which were performed by the Resident Agent before the incorporation of the islands with New Zealand, because I think that, under the change proposed, we shall have an opportunity of criticizing and reviewing the acts of the Resident Commissioner. Some of the laws passed by the Resident have affected the fruit trade in Auckland. I do not wish to go into details now, but some of them. to my mind, are irksome and unnecessary. I hope that, until we have an opportunity next year of reviewing the whole position, the Resident Commissioner will proceed slowly, and with as little interference as possible with the white population, or with the traders in the fruit industry. Mr. ATKINSON (Wellington City) .- Sir, the announcement of the member for Wellington City (Mr. Fisher) that he was going to divide the House upon this Bill put me in a somewhat doubtful position, and on that account I think it necessary to say a few words to the House to explain my attitude on the Bill. The honour- able member who last spoke (Mr. Napier) told us that all these Councils in the Islands were really a fiction ; that the various Island Councils were Colonel Gudgeon, and that the Arikis were Colonel Gudgeon ; and, I presume, the Federal Council we are talking about now will also be Colonel Gudgeon. The honourable gentleman said that the islanders are a very simple people, and that the whole question of government, so far as this group is concerned, is a fiction. I have no doubt there is a good deal of truth in what the honourable gentleman says ; and I think it is possible that the peti- tion on which the House acted last year was, as he suggests, somewhat of a fiction too. But I believe that no fiction on that side of the water would possibly surpass the absolutely fictitious character of the movement on this side of the water. The supposed enthu-
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Islands, the strong force of public opinion that was supposed to be in favour of annexation, the strong Imperial sentiment supposed to be be- hind it, were just as pure a fiction as any attempts to plant the white man's self- government among these islanders possibly could be. The honourable member for Hawke's Bay referred to the fact that there was but a bare quorum in the House during the greater part of this discussion, and I should like to point out that the bare quorum in the House during the discussion this afternoon is rather more than the average attendance of members in the first burst of enthusiasm with which we carried the motion last year. As the honour- able member for Haw ke's Bay has stated, there were thirty-eight members who voted against taking time enough to consider what it was they were voting upon ; and thirty-seven who, without taking any time to consider, and with- out considering at all - most of them, at any rate-voted for the motion ; but they did not honour the House with their attendance during nine-tenths of the discussion. I took a census, which I recorded at the time in the Hansard of last year, of what the attendance was, to show the interest the House was taking in this new departure in our foreign policy. The census was taken at about 11.30 in the evening. There were then nine Government

supporters in the Chamber: three of them were sound asleep, one of them being a Minis- ter; three were hard at work writing ; two of them were listening ; and one of them was speaking, and he was speaking against the motion. This will illustrate the interest taken by those who voted against adjourning this dis- cussion-the keen interest taken by them in the very great question submitted for our con- sideration to-night. Now, that was while the dobate was proceeding : thirty-eight voted that we should not take time to consider the ques- tion, and thirty-seven voted, at 2.30 in the morning, that the motion should go through ; and the whole lot of them, by arrangement, turned up from the lobbies at the finish, and sang " Rule Britannia" and the National Anthem to celebrate this new departure in our foreign policy. Well, the whole thing was a per- fect farce, simply a preposterous fiction, and no foolery in the Cook Islands could be more trans- parently insincere than was our foolery on that occasion, or the action, I presume it was, of the Premier in cabling to the Old Country that we had carried this motion for annexing the Cook Islands in a burst of enthusiasm, with "Rule Britannia " and the National Anthem. There | of the petition, and, therefore, a condition was just as much "Rule Britannia " and the National Anthem in the hearts of members at that time as at the present moment while we are considering this Bill. The division-list on that occasion shows that there were four mem- bers who went into the lobby against the motion. The honourable member for Auck- land City (Mr. Napier) spoke about "little Englanders." I am no "little Englander"; but I am certainly a "little New-Zealander," if the test is one's attitude on this question. -the honourable member for Avon will correct me if I am wrong-is about 142 square miles. and there are about one thousand 5.0. eight hundred miles of sea between this and the rest of our territory; and if the test of the "little New Zealander " is whether or not you believe in such an extension, I plead guilty. Last year there were four " little New- Zealanders " who went into the lobby as a pro- test against the motion- no, only two actually went into the lobby, Mr. Hutcheson and Mr. Monk- and Mr. Herries and myself stayed outside to count them. I am glad to think we are likely to have a rather larger number on this occasion, or perhaps I should not re- joice. I am proud of that small minority. " We few, we happy few, we band of brothers," have a right to feel jealous at an addition to our numbers, which will diminish our indi- vidual share of honour. At first I had some doubts, which were not finally removed until the honourable member for Hawke's Bay spoke, as to whether or not I should support the honourable member for Wellington City (Mr. Fisher) in voting against the third reading -- for this reason : that, though opposed to the extension of our boundaries, I was inclined when he was speaking to think that, now we had got the new territory, it was our duty to provide for its government. An Hon. MEMBER .- You were a Government supporter then. Mr. ATKINSON .- Yes, when my colleague was speaking I was a Government supporter ; I was practically in the position of Mr. John Morley in regard to the war Budget at Home. The question was whether the imposition of heavy extra taxation, largely on the necessaries of life, should be sanctioned to pay for the war, and the attitude of Mr. Morley was that he was against the war, and always had been ; but the war was there, and, as it was there, they had to pay for it like honest men. And so he was driven to vote for the oppressive duties which were to pay for the war he did not believe in. In the same way I, at first, felt that I should have to vote for this Bill for the government of Islands I do not believe in. But I have seen various reasons since for changing that non- committal attitude, and the chief one was the argument adduced by the honourable member for Hawke's Bay when he compared clause 3 of this Bill with the clause in the petition from the Arikis of Rarotonga, upon which we acted when we passed the motion for the annexa- tion of these Islands. It was a prayer of the contract, that "the general laws of New Zealand shall only be introduced as re- quired and adopted by the Council of Arikis." This Bill is a direct violation of that contract, seeing that clause 3 provides " that the Go- vernor, by Order in Council, may from time to time direct that any of the laws in force in New Zealand shall be observed in the said Is- lands." The wishes of the Arikis are ignored altogether ; and I feel I should be guilty of a breach of faith if I voted for the Bill on the

mier possibly thinks that the Arikis are child- ren to be played with, and that he may treat them as the king of Tonga, according to this book (" Right Hon. R. J. Seddon's Visit to the South Sea Islands ") treats his councillors. There are two distinguished men in Tonga who bear a close resemblance to the Premier,- " Mr. Seddon," says the writer, "found in the Premier of Tonga a man of spare build and of thoughtful expression-one who might be mistaken for a missionary, as his traits of character seemed more of a spiritual than temporal nature." I need not dwell upon the close resemblance to our own Premier's character. The King of Tonga also presents a striking analogy. I am quoting from page 18 of the book :-- "There is a strong Opposition party in Tonga, and many are obstinately opposed to the policy and person of the present king. It arises from the different conceptions of the Royal power held by the king himself and the leading nobles. The king considers himself as the supreme ruler, and that his Ministers and Parliament are only his advisers, whose opinions and ad- vice he is fully at liberty to reject if he chooses. The chiefs consider the king to be only the head chief ; that he is but primus inter pares, and should act by advice of his peers in coun- cil. Nominally the king does do this, but his opponents say that it only makes matters worse: that they would rather not be con- sulted at all than asked for advice which the king will afterwards utterly flout and treat with contempt." This is the way of kings, and it is cer- tainly the way of our own "King Richard" towards his own Council, the Parliament of New Zealand-it is partly dictation and partly " dickery "-and he is adopting the same atti- tude to the Council of Arikis in disregarding the petition of these islanders on which this annexa- tion took place, as he is doing by leaving clause 3 in the Bill in its present form. I cannot sanc- tion this breach of faith, and once again I shall be one of those to vote against the Bill-as against the motion of last year. The honour- able member for Wellington City (Mr. Fisher) objected to the Premier's aspirations for the conquest of China. I really do not know why he should. China and Peru are both included in his ken, as well as all the lands between. remember making a remark last year to this effect, -- "He has surveyed the world from China to Peru ; he has found it all to be pretty good, but thinks it would be a great deal better if it were under his own immediate sway. His last am- bition is to be the uncrowned King of the Can- nibal Islands." Therefore I think the criticism of my junior colleague seemed somewhat hypercritical, though I am quite prepared to pardon such an indiscretion in a young parliamentary hand. He also gave us a valuable extract from a recent article in the Windsor Magazine on the Pre- mier. The illustrated interviews with the Pre- mier are always charming reading. I recently Mr. Atkinson the Young Man, an article on the honourable gentleman in which it was stated that, not- withstanding his power and fame, he nevertheless continued to reside with his family in a plain wooden building near the Parliament House. This was adduced as a striking illustration of his democratic simpli- city. Everything that is sentimental and romantic is attributed to the Premier in these interviews, barring one thing, and that I have seen attributed by an interviewer to the Hon. Mr. W. P. Reeves, and that was that that gentle- man had " a dreamy far-off look in his eyes." 1 should think that before these illustrated interviewers get much further, even that de- lightful characteristic will be attributed to the Premier also. An Hon. MEMBER .- How far? Mr. ATKINSON .- As far as the Cook Islands -or even Fiji. In conclusion, I would ask, in all seriousness : for how long are we to be tied to the Cook Islands, and the Cook Islands to us? Is it a case of "till death us do part "? There must surely be some means of severing this bond peaceably and without waiting for the parting of death. I think that every New Zealand statesman should approach this ques- tion seriously, and at once, with a view to enabling us to throw off those burdens which we have taken upon our shoulders, and which can bring us no good whatever. It is possible that all sorts of complications and entangle- ments may ensue from the course we have started upon. I shall therefore do all I can to resist the tightening of the bonds which hold the Cook Islands to us and which hold us to the Cook Islands. For the reasons I have given I shall have no hesitation in voting against the third reading of the Bill. Mr. SEDDON (Premier) .- I have sat here and listened, and I

wondered and almost ejacu- lated, " How long, O Lord, how long," is this infliction to last. We are compelled to listen to this twaddle night after night, and day after day, when we ought to have been doing other business which demands our attention, and business which is in the best interests of the colony. And, Sir, what have we been listening to for the last quarter of an hour from the member for Wellington City (Mr. Atkinson) ? Nothing but words. Has anything he has said struck home to honourable mem- I bers ? We have sat here painfully wondering and wishing that the member for Welling- Members would ton City would sit down. like to do the business of the country and get home, and yet we have had another hour of our time taken up by the two Wellington members. They do not show any considera- tion to other members, but obtrude themselves on every possible occasion; and I do not know really what the object is, unless they want to keep members in Wellington all the year round. I say it simply irritates members, and probably when those two honourable members may have something to say worth listening to- I admit that the member for Wellington City (Mr. Fisher) does sometimes say something
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honourable member told the House that he was a "little New-Zealander." Well, I tell him that the House believes that, and I believe the country also believes that he is a little New- Zealander. I am not alluding to the honour- able member's stature, because that would be out of place, but I believe that in every sense of the term he is a little New-Zealander. This ques- tion is one of great importance. The House and the country has indorsed the extension of our boundaries so as to include several Pacific islands. We requested the Imperial Govern- ment to pass an Order in Council. They did so. We were enthusiastic. I say that we knew what we were doing, and I say we were follow. ing the policy which this House and the people of New Zealand have urged for the last thirty years. It is true that we have not got all that we wished years ago, and I still wish we had then attained our object. It is quite true that we have lost Samoa and Hawaii, but that is no reason why these other islands should also be lost. That is no reason why we should not pursue the policy laid down by Sir George Grey. And when I hear the name of Mr. Coleman Phillips intruded into this question, I simply say that he did nothing more than this : he wanted to establish a trading com- pany; he wanted to go to England and raise the capital, and to go to Germany to get Ger- man and English capital, and he was to be the general manager of the company. That was his scheme for the Islands. Perhaps I may give the history of this matter. The honour- able member wanted to make out that Mr. Coleman Phillips had been neglected in this matter, because his name had never been mentioned. I say that a grave injustice has been done to Sir Julius Vogel. I hold in my hand particulars with respect to the proposed trading company-Appendix to Journals, 1884, A .- 4, pages 80 to 83 :- " Governor the Right Hon. Sir J. Fergusson to the Right Hon. the Earl of Kimberley. " Government House, Wellington, New Zealand, 11th March, 1874. "MY LORD, -I have the honour to inform you that a joint-stock company is in course of formation in New Zealand, for the purpose of engaging largely in trade with the islanders of the Pacific Ocean, which my Advisers propose to assist by a guarantee, by the Government of New Zealand, of interest at the rate of 5 per cent. upon its share capital, retaining certain power of control over its operations. "2. This scheme was at first devised by a private individual, who contemplated an at- tempt to form a company in England and Germany. He communicated it to the Pre- mier, the Hon. Mr. Vogel, C.M.G., who deemed it to be one which New Zealand should not only encourage, but adopt and control, in con- sideration of the advantages which would accrue to her through a reciprocal trade with the Islands, and possibly by becoming, at a future time, the centre of their government." VOL. CXIX .- 44. arranging for the establishment of a bank in Fiji, addressed to me a communication in which he suggested the establishment of a company which, like the East India Company, should endeavour politically and commercially to gain ascendency in the Pacific Islands. I was much struck with the idea ; but, when Mr. Philips asked me if I would advise him to go Home to endeavour to float the company, I felt that he would have great difficulty in raising the capital. It then

occurred to me, from the New Zealand point of view, from which I felt bound to look at it, that Mr. Phillips's project, supposing it matured, might or might not be worked in a manner calculated to be of much benefit to New Zealand." I say that Mr. Coleman Phillips was not patriotic, and we are not indebted to him very much He only brought this scheme forward with the view of raising capital at Home and working the business in the in- terests of those capitalists. I have the com- plete scheme here, and from first to last there is nothing national or patriotic in it. It is purely a selfish scheme for exploiting the people at Home and the people of Germany ; and I want to know where New Zealand would come in under such a scheme as that. Pro- bably that is the reason why this Parliament did not see its way at any time to reward Mr. Coleman Phillips for the services he claimed he had rendered, simply because he had pro- pounded this scheme this private company- with the view of exploiting the Islands. Now, what did Sir Julius Vogel say? Writing to His Excellency, in a sub-enclosure, page 83, ho says : - "1. The unsettled state of the South Sea Islands, especially the uncertainty which hangs over their future, is calculated to cause con- siderable uneasiness to the neighbouring colo- nies. "2. Intimately identified as the future of these colonies will be with the Imperial coun- try, of which I am of opinion it is their ambi- tion to remain dependencies, they cannot re- gard without anxiety the disposition evinced by some foreign nations to establish a footing in their neighbourhood amongst the islands of the South Pacific. "3. In New Zealand there is a strong feeling that the geographical position of the colony, the prevailing winds, the shipping facilities, and other causes, ought to enable its inhabitants to develop large commercial relations with the Islands. "4. The conditions to be met appear to be,- "(a.) To prevent, by anticipatory action, the establishment of European communi- ties with lawless tendencies, such as have been displayed in Fiji. " (b.) To develop the self. governing aptitudes of the Polynesian natives. " (c.) To encourage them to labour, and to realise the advantages which labour confers.
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Islands. "(e.) Without bloodshed or embroilment with other nations, to gradually introduce a uniform Government organization throughout Polynesia. "5. To stop the traffic in forced labour, more is required than mere force and vigilance. As long as Her Majesty's vessels are engaged as at present, they no doubt offer a check to labour traffic ; but they also make the profits of the traffic larger, and thus evidently encourage it. To permanently stop forced labour, there must be opportunities available to free labour. "6. Your Excellency is aware that I have felt much interest in a proposal made by Mr. Phil- lips, that a trading company should be formed in England, with the view of absorbing by its commercial power a large share of political con- trol in the Islands. The object proposed by Mr. Phillips, excepting that of a chartered labour traffic, I approved ; and your Excellency, I be- lieve, communicated the substance of Mr. Phil- lips's ideas to the Secretary of State. I have since thought very carefully over the matter, and there are two points in respect to Mr. Phil- lips's proposal which seem to me to require serious consideration, and without providing for which I am not certain the proposed com- pany might not lend itself to retard instead of to advance the civilisation of the Islands. Those points are-(1.) That, in order to obtain the necessary capital, every consideration be- sides that of the mere acquirement of profit might have to be abandoned ; (2.) That Mr. Phillips's proposal does not provide that amount of direct and powerful governmental control which, in my opinion, should be stipulated for, in the interest of the helpless natives. "Taking all these circumstances into considera- tion, and not forgetting that New Zealand, by assuming the largo responsibilities proposed, would have the right to the contingent advan- tages the island trade will confer, I am inclined to recommend, - "(a.) That New Zealand should encourage the formation of a powerful company to colonise the islands of the South Pacific, by offering a guarantee of 5 per cent. for forty years on the share capital. " (b.) That the Government of New Zealand should appoint the managing director and secretary here, and the manag. ing director in London. " (c.) The object of the company to be to civi- lise and settle the South Sea Islands, by opening up profitable production and trade in connection with

them. "(d.) The company to establish factories and plantations at different islands, and to acquire by purchase some already established. "(e.) To acquire lands, and to let the same on terms calculated to promote pro- duction. "(f.) To arrange with chiefs to cultivate produce, and to dispose of it on agreed terms. Mr. Seddon to the islands. " (h.) To lend money and give assistance to settlers to establish plantations. "(i.) To open up steam communication be- tween the different islands, and be- tween them and New Zealand. "(j.) To discourage the removal of islanders from their homes for labour purposes, by affording them occupation on their own islands, or on islands ad- jacent. " The Government of New Zealand to stipu- late, in return for guarantee,- " (a.) That the company give facilities and reasonable pecuniary aid to the mis sionaries. " (b.) That, whilst affording inducements to free labour, the company abstain from employing forced labour. "(c.) The company to own at least six steamers between the islands, and between the Islands and New Zea- land ; and to fix the times so that New Zealand shall be in communica- tion with the principal islands at in- tervals of not more than a month. " (d.) The company to establish in New Zea- land at least one cotton factory, at least one woollen factory, and at least one sugar refinery. "(c.) That all the produce the company ob- tain at the Islands, or which is ob- tained from the lands of the com- pany, be forwarded to New Zealand. "(f.) That all goods sent by the company to the islands be shipped from New Zea- land. "(g.) That on all produce the company pay the Government of New Zealand 5 per cent. royalty. " (h.) That on all goods shipped to the Islands, other than those the produce or manufacture of New Zealand, the company pay a royalty of 74 per cent. "7. The ultimate object which I have in view is, the establishment of the Polynesian Islands as one Dominion, with New Zealand the centre of Government : the Dominion, like Canada, to be a British dependency. "I venture to think that these proposals, if carried out, would save Great Britain large expenses in connection with the repression of slavery, whilst the Imperial prestige in the South Pacific would be maintained. "JULIUS VOGEL." The honourable member for Wellington City \- - forgot all about this. An Hon MEMBER .- When was that ? Mr. SEDDON .- This was in 1-84. Now, I 1 may say that long before these proposals were made Sir George Grey had drawn attention to the matter, and in connection with this the name of Mr. Seed, our Secretary of Customs at the time, in my opinion, ought to be closely allied and ever mentioned with respect when- ever the question of the settlement of these Islands is brought up for discussion.
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private gain, makes proposals, and then these proposals do not come off, and, when afterwards the Islands are annexed, he comes before us and tries to make out his proposals were made from purely patriotic motives, I do not believe that on each and every occasion we must have his name paraded before us-that the man who has done that should be extolled. I think we have had quite enough of this ; and as to what Mr. Coleman Phillips has done, it was not true patriotism, his actions were selfish from beginning to end. Sir, the honourable member will admit this: that nothing at all came from what was proposed by Mr. Coleman Phillips. There has been nothing done : it has been talked of, and the honourable member himself has stated that for years he has studied this matter. He has been going into it, and it has always had his support, but up to this time has any- thing come out of it? He is like many other gentlemen in the world, and like many other members of Parliament : they have a great deal to do in the way of pulling down and uprooting, and taking up a negative position ; but I ask the honourable member, Can he point out with re- spect to this Islands question a single thing he has done? Nothing, that is real and tangible ; there is an advocacy of nothing. Can he point out to me anything whatever except that he has objected, as he is objecting now, to the third reading of this Bill ? I can if I wished - but I do not want to enter into extraneous matter- point out one thing that has been characteristic right through the honourable member's career. He has the power to destroy, the power to adversely criticize ; but, when it comes to con- struction - well, the honourable member may some day probably tell the colony what he has to his credit. I know of very little, but I do know a good deal that the honourable member has done by

his uprooting proclivities. I have reason to recollect that myself. However, Sir, the question now is the Cook Islands ; and I must speak to the arguments adduced. We are told that New Zealand does not get the trade of Niue. I say New Zealand does get a portion of the trade of Niue : but by our arrangement now, and by making Niue a port of the colony, we have the advantage that all our products will go there duty free. All our manufactured articles will be admitted there duty free. Mr. HERRIES .- Do they levy duty on foreign trade ? Mr. SEDDON .- They have got their own Government, and must have some means of raising revenue. I wish at once to emphati- cally deny the aspersion cast upon the Imperial Government, which was to this effect, as stated by the honourable member for Wellington City (Mr. Fisher) : he said the Imperial Government had wanted to get rid of the Islands. I say that is not the case. I say we have asked the Imperial Government, and I may say for some time the Imperial Government refrained from granting the request of this colony. Mr. FISHER .- You are a little wrong. Mr. Herries said that. But it does not matter. Mr. SEDDON .- I will not do the honourable for the Bay of Plenty used these words, then I correct my mistake, and say it was he who did it. Then, an honourable member-I think the member for the Bay of Plenty; I am not making any mistake this time-said there was no sea Power that would take possession of any of the islands. Why, Great Britain herself is an island country purely ; and what does our history, and what does the history of the world, teach us? Why, in the history of the world, it has been shown that her great power lies in her island possessions, and were it not for the assistance given by her island possessions Great Britain would not be the nation she is to-day. And we find that America is waking up, and following in the footsteps of Great Britain, and I say it is purely nonsensical for the member for the Bay of Plenty now to be laying down this dictum : that Great Britain, being an Island nation, had refrained from annexing islands and extending her sway over territories far away from the Mother-country. Amongst some of the objections taken by the 7.30. honourable gentleman was that the Federal Court, by this Bill, would have juris- diction over the other Islands. I say that neither the Federal Council nor the Federal Court will have jurisdiction over the other Islands. Mr. HERRIES .- Why do you say so in the Bill, then ? Mr. SEDDON .- I do not say so. If the honourable member cannot understand what he reads I cannot help it ; that is the honour- able member's misfortune. I say that the British Resident of the Islands is Assistant Commissioner, and consequently he has juris- diction from that authority and no other. Mr. HERRIES .- The Commissioner of what ? Mr. SEDDON. - Of the Western Pacific. The honourable member knows that the Islands are placed under that control, and the Court is not abrogated simply because the Islands are placed under New Zealand's jurisdiction. The honourable member, in objecting to the Bill for about a quarter of an hour, then asked this question-a "pertinent question," he called it : "I desire to have a lead from the Premier." I give the honourable member the lead : Vote for the third reading of the Bill. It is in the best interests of the colony, and time will prove it is in the best interests of the Islands as well. No possible good can arise at this juncture in obstructing or preventing the passing of this Bill. It is too late for that now ; we are committed to it. It does no harm, and the honourable member had better accept it with good grace. I know that he was one of the four who objected, but that is no reason for ob- structing the passage of a measure which the House wants to proceed. Before passing on to the remarks made by the honourable member for Hawke's Bay, I desire to say that every member of the House and myself listened with great pleasure to what was stated by the honourable member for Avon, and the informa- tion which he gave and the details connected

the power of every other member of the House to obtain. But members are getting, I may say, somewhat extravagant -- I will not use the term indolent, but they want everything now- adays to be prepared for them, and they ask the Government to have everything laid on the table of the House. They ask the Government to go to the expense of getting the departmental officers to compile information for them when that information is already contained in the papers and reports that have been laid on the table ; but

they will not go to the trouble. There was a time, when I entered my appren- ticeship in the House, when they would not give us the information, and we had to go through the books and compile it ourselves, the same as the honourable member for Avon has done. I say that the application and diligence of the honourable member has its own reward, and he is now an authority on this question, a position which he is justly entitled to, and every other member could have procured for himself the same information. The honourable member for Hawke's Bay, Captain Russell, said, and very properly too, that we must take the Cook Islands now, and consider the mat- ter purely as from the native standpoint. If we do that, what better work could we have in hand ? There are islands which were thickly populated ; some are thickly populated now. At the present moment there is great wealth which only requires to be developed, and the material is there to develop it, and that material is the native population. It will cost nothing. The natives are easily improved, and they are some of the best workers that could be obtained. You have the islanders of Niue going to other islands to work, and you have #cc-zero natives going into Queensland from other islands. You have the islanders of Manihiki- in fact, nearly all the natives on these islands are a hard-working people, and it only requires the direction of the white man, and they will . produce that which we require. Then, the honourable member for Hawke's Bay said there was a falling-off in the population. I admit there has been a falling-off in the native population ; but who is responsible for it ? Those who fostered and permitted what is called the "black" labour; those who were parties to the deportation from the islands of the best of the male population to go to work in other places. Mr. PIRANI .- That has been done in New Zealand. Mr. SEDDON. - Yes ; it may have been done in New Zealand. Of course, although His Ex- celleney the Governor, apart altogether from his Advisers, has the power to grant licenses for the labour vessels, I may say that His Excel- lenby's Advisers have, at any rate, brought so much influence to bear on His Excellency that on the last occasion when a license was required to be renewed His Excellency refused to renew it. As I have said, the cause of the falling-off in the population has been the fact that the labour vessels take away the best of the men ; and if that is stopped I have little hesitation in Mr. Seddon tion on the Islands. Then, Sir, the honourable gentleman is entirely wrong when he says there will never be a white population there. I know some settlers in Rarotonga who were at one time living in the North of Auckland, and they have told me they can now make more money than formerly, and that the climate is as good as the one they left behind. Mr HERRIES .--- When did you hear from them last ? Mr. SEDDON .- A fortnight ago, and they are doing well, and are well satished. They have a fruit plantation, and their prospects are very bright. Then the honourable member for Hawke's Bay endeavoured to make out that we had broken faith with the Arikis in respect to their petition. I at once emphatically say there is no breach of faith whatever. It is true that in a petition they asked, in respect to the appointment of their High Court, that they should be consulted. Now, in respect to their lands, I wish to say that the terms and con- ditions were laid down in our agreement, and, consistent with that agreement, we are taking power in this Bill to set up a Court to decide on the titles of their land. But the honourable gentleman claims that they should have power to appoint, and in respect to that I say it goes without saying that if the Islands form part of New Zealand no such powers should be given to them, either to appoint officers or to approve of the appointment of officers required for the administration of the Islands. It was never promised, and consequently there is no breach of agreement and no breach of faith. Sir, the conditions we promised are contained in what we told them, and they are laid down in concrete form, and those are the whole of the conditions, and we are complying with them. Now, I should like to say, in conclu- sion, that I have received a communication by today's mail from the British Resident. He informs me, first of all, that he and Mr. Smith have visited Niue, and have found everything going on very well there. I also received in- formation from him in respect to our schooner, the " Countess of Ranfurly." He says she is a splendid sea-boat, that she has encountered very rough weather and has behaved splendidly. Also, that she has considerable speed, and is altogether a very safe boat. Perhaps I bad

better read the communication : - " I have the honour to report that Captain Reed has been notified that he will be required to take the schooner to Penhryn and northern Islands. I have to congratulate you on the possession of this fine boat, in which I have every confidence, for on my return from Pal- merston Island and Niue we encountered the hardest gale experienced here for the past eight years. In this gale the ' Countess' not only showed herself a fine sea-boat, but made good headway in the teeth of the wind. " W. E. GUDGEON, British Resident." Now, then, to show that in respect to these Island questions the New Zealand Government

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communication from Fiji. It is a request from Malietoa, the late King of Samoa, that the Government should use their best endeavours to have the arrangement maintained by the Imperial authorities under which he resigned his kingship, and under which the Imperial authorities were prepared to grant him a pen- sion. Now, I say to honourable members, it is a great load to drag along. Time after time states- men have endeavoured to get the Imperial autho- rities to place these islands in such a position that no foreign Power could touch them or interfere with them ; and whilst time after time the oppor- tunity has been neglected, we find other nations are edging in and obtaining a footing ; and now, when we have succeeded at last in placing the Islands-at all events, those within our boun- daries-beyond interference, and to have some- thing passed into law for their administration, to have the whole thing repudiated, and to have it placed on record, as is being done now, that this was not asked for, and that it is detrimental to our interests, is more than I can understand. I say it is manifestly unfair. My own opinion is now, as it has been from the beginning, that this step is in the best interests of our colony. It shows us who our neighbours are ; and where we can, as in this case, have the islands practi- cally to ourselves-that is, made British, and brought under our administration -- it is a per- fectly safe thing to pass this particular Bill. Now, here is a verse which seems to me to apply to my honourable friend Captain Russeil, the member for Hawke's Bay :- And now I'm old and going, I'm sure I can't tell where; One comfort is this world's so hard I can't be worse off there. If I might but he a sea-dove, I'd fly across the main To the pleasant Isle of Aves, to look at it once again. Sir, the honourable member does not know where he is going. Well, we should hope to have an opportunity, some day, when the two of us should voyage to these Islands, and see them under the improved conditions, and then the honourable member will admit that the far- seeing policy of securing these Islands was in the best interests of New Zealand and of the Empire. The House divided on the question, " That the Bill be read a third time." AYES, 36. O'Meara Allen, E. G. Graham Arnold Parata Hall-Jones Russell, G. W. Heke Bennet Buddo Seddon Hogg Smith, G. J. Carncross Hornsby Carroll Steward Kaihau Collins Thompson, R. Lawry Thomson, J. W. Duncan McGowan McGuire Witheford. Ell Flatman McNab Tellers. Fowlds Palmer Millar Tanner. Fraser, A. L. D. Mills Gilfedder NOES, 13. Atkinson Lang Hardy Bollard Hutcheson Massey Rhodes Fisher Monk Russell, W. R. Pirani Herries. Majority for, 23. Bill read a third time. OLD-AGE PENSIONS BILL. Mr. SEDDON (Premier) .--- Sir, this Bill does not interfere with the policy of the existing law. It simply cures certain defects which are known to exist in the present legislation, and I will confine my remarks purely to the clauses in the Bill, and hope honourable members at this time of the session, in view of the fact that the old-age pensions policy is here to stay, will not go in for a second-reading debate upon the old-age pensions question generally. Mr. HERRIES .- Why not ? Mr. SEDDON. - I understood honourable members wanted to get on with the work : that is why not. The present law is defective in respect to applications that come before the While the Magistrates may do their Courts. best, yet there are circumstances which have come to the knowledge of the Government which render it necessary that the Registrar should be represented when each application is being dealt with by the Magistrate. I have had cases brought before me where the Magis- trates, owing to their time being limited, and to the fact that they have had to catch steamers and trains, have cut short their ques- tions to the applicants. I will quote

a typical case that has been brought under my notice. It was the case of an application from a Maori, and the Maori interpreter is brought up, and the Magistrate inquires, "What you told the in- terpreter is true? " The answer was " Yes," and then the pension was granted. Pensions granted under these conditions are liable to be upset. I have a list showing the number of pensions and the values of the properties, and they differ, but the total given on revalua- tion was £6,346. I should say 20 per cent. of those parties who got pensions on the re- valuation of the properties were not entitled to get them at all. This disclosed a state of things that requires remedying. An Hon. MEMBER .- Were they Maoris ? Mr. SEDDON .- Most of them are Maoris ; but there are Europeans who have fraudulently obtained them. I had a letter a couple of days ago from Christchurch. The wife of a pen- sioner died after the Act was passed ; putting the two properties together she had £600 in the bank. There is another case on the West Coast, where a pensioner died who had £500 in the bank. An Hon. MEMBER. - What! on the West Coast ? Mr. SEDDON .- I can only say I do not think there is any part of the colony where the pensions have been so well earned as on the West Coast. I place these facts before the House. I think they are entitled to know that a state of things exists that ought to be seen to. I must confess the Magistrates do not think this evasion is widespread ; but the opinion held by the

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differs very much from that of the Magis- trates. These are the opinions held by the Magistrates. But when you have a wholesale undervaluing of property it shakes confidence in the whole structure. The provision in the Bill is to provide that the Registrar shall be represented when applications are made. Then, under section 3 we are asking a power that may be taken exception to. But I do not see, myself, that any objection is well-founded, for this reason : A person is making application to obtain moneys from the State; if a person gives false evidence, and is thereby fraudulently obtaining money from the State, it is as well, where there are good grounds for believing it to be so, that power should be given to the Registrar to inquire whether the applicant has a Post-office Savings-bank account; because if fraud has taken place and the matter comes before the Court, the Court can order it to be done, and we may as well take the power ; it will probably prevent fraud taking place. Then, there is another departure in the Bill, and that provides that, on the application, the Magis- trate may inquire into the circumstances of the children of the applicant. We are not taking power as they are doing in Victoria under their Bill-namely, the same power as is contained in the Destitute Persons Act. We do not give power here to the Magistrate to go that length; but I do think that in several cases brought under the notice of the Govern- ment, where the children were really wealthy and well-to-do, that they forget their filial duties. Again, there are cases where persons have transferred real and personal property to their children, divested themselves of their property, obtained a pension, and then have actually gone to live on the property with their children, and at the same time drawn the pension. All I can say is this: If that is the case, it is right for the Magistrate to be able to make these inquiries, and I think, under the regulations, we ought to go further and note at what time the applicants divested them- selves of their property, and if it is within a couple of years of the time that they received the pension, then that ought to be a ground on which the Magistrate could refuse to grant the pension. Clause 5 deals with properties that may fall to the pensioners during the time they have been enjoying the pension, and it will also meet the cases I have referred to, where at death it has been discovered that pensioners had large sums of money on deposit. I think no objection can possibly be taken to this clause. It simply provides for recovering the moneys that have been paid. Of course, if members wish to go further than that, we can consider that point when the Bill is in Com- mittee. Clause 7 makes it an offence for per- sons to assist applicants to obtain pensions by fraud, and in the case of Maori interpreters it is to be a ground for cancelling the license.] may say that, unfortunately, a number of Maoris have been led into making claims which they never would have made if the Maoris had been left to themselves. These interpreters have Mr. Seddon and they have charged nothing under a guinea. 1 In

order to make these guineas they have gone round districts looking for old Maoris and get- ting them to make applications. And I am sorry to have to report to the House that in one in- stance the Magistrate depends for the age of all the other Maoris upon one old Maori, and in most cases the answer is given by this old Maori, " Oh, ves ; he was twenty years old when Te Kooti was here. I should say he is between sixty and seventy years of age; he is old enough." And after that old Maori died, then he took a Maori clergyman and another chief. But the fun of it is that the Maori clergyman -he is only about thirty-five years of age, not more than forty- is certifying to a man being sixty-five who would have to be born more than twenty years before himself. Well, 1 say that there is a looseness attaching to a thing of that sort which we must try and put a stop to. I do not want to go back upon what we have done, but it is cases of this sort that injure really deserving cases. Section 9 1 makes provision for the payment of Maori pen- sions. As members are aware, the Legislature, under the Civil List Act, has set apart a sum of $7,000 a year for the Maoris, and there is a large balance each year of that $7,000; and, in- stead of giving pensions as provided by the Pensions Act, the discretion is given to the Magistrate to give a recommendation to place these Macris as against the Civil List. And also there is provision for the very necessary appoint- ment of some officer to see that the money goes to the person who is entitled to get it on the Civil List. At present it does not go to the indigent at all. The old people do not get the advantage of it, as was intended. An Hon. MEMBER .- Who does ? Mr. SEDDON .- It is taken possession of by these interpreters or agents. I am going to stop that; and in these cases it is better to give those who are entitled to receive the pen- sions food or clothing, and see that they get the value of what is intended they should receive, and not that these pensions should be used as the ready money which is very necessary at tangis. It is to meet these things that I pro- pose, under clause 9 of the Bill, to prevent abuses occurring. I may say that I do not wish to raise a debate, or bring up the policy or otherwise of what the Legislature has done : but it does weaken the position when we find abuses which members as well as I know are existing, and it is simply to remedy these defects that the Bill is brought forward. I have not gone too far, I think. I do not wish to sap the independence of the pensioners, or make deserving pensioners feel that we begrudge what is given to them, but it is necessary to stop abuses which I regret to say exist, and which give reason for adverse criticism, and which may have caused some people to think we should not have passed the Pensions Act at all. One case was given to me by a member the other day, which was known to himself, where an old couple divested themselves of a farm, gave it to a daughter who is married, and

pension ; and they now live with the daughter on the land that was their own, and they drive in in a pony-chaise once a month to draw the money. Well, of course, that is an isolated case ; but when you have cases of that kind the sooner we lock the door and prevent that occurring in other cases the better for all con- cerned. Other places are copying our legisla- tion, and I see in their proposals they are doing what we are proposing to do now-namely, taking steps to prevent abuses that exist. I move, Sir, the second reading of the Bill. Mr. HEKE (Northern Maori) .- I simply de- sire to ask the Premier whether he will make the list of names which he has already referred to a parliamentary paper. It will be very inter- esting, I think. Mr. SEDDON. - In the interests of those old Natives, who have, I think, been more sinned against than sinning -they have not wished to wrong the State-I do not think it would be fair. Mr. HEKE .- Some of the names are of Europeans. Mr. SEDDON .- Some of them. Major STEWARD (Waitaki) .- I do not rise to discuss the provisions of the Bill, which I think is a very good one, but simply to point out that it is desirable, when the Bill is in Committee, that opportunity should be taken to provide for the case of those persons who are entitled to pensions under the Act, but who are also at present in receipt, for military services rendered to the Empire or colony, of a few pence a day. Those persons who have served their country are certainly entitled to more consideration than other colonists who have not risked their

lives either for the Empire or the colony ; and, Sir, I have placed on the Order Paper a clause-which I shall not have the op- portunity of moving in Committee, because I shall probably be in the chair, but I will get some friend to move it-which will provide for these cases. I think it should receive the sup- port of honourable members generally, and I hope the honourable gentleman in charge of the Bill will accept it. The terms of the clause which I would propose myself if not in the chair are as follows :- " If any claimant for an old-age pension is already in receipt of an Imperial or colonial pension for or in respect of military service not .exceeding two shillings per diem, such military pension shall not be calculated as part of his income when his claim for an old-age pension is under examination." I think that is a clause which might very fairly be passed, and I simply rose on this oc- casion for the purpose of drawing the attention of honourable members generally and of the Minister in charge of the Bill to it, so that when the Bill is in Committee they will not be :taken by surprise, on its being moved. Captain RUSSELL (Hawke's Bay) .- I have only just two or three words to say. The main amendments in this Bill I cordially agree with, but I would point out to the Premier that the provision in clause 4, "that the Magistrato shall daughters of the applicant, and if in his opinion these circumstances are such as not to warrant the granting of a pension," is at variance with the principle laid down by the Premier so fre- quently. Undoubtedly it is a clause making the old age pensions scheme one only for des- titute persons, and at once it ceases to be a national pensions scheme. Mr. SEDDON .- It is more to make them realise what is their filial duty. Captain RUSSELL .- Quite so ; but the Pre- mier will remember that we who approved the principles of a pensions scheme also struggled against making it one for charitable aid, which we feared it would become. Then, Sir, I would like to draw the attention of the House to another provision which seems to me strange, and one which I think there would be very great difficulty in giving effect to. That is the 3rd subsection of clause 3, which provides that- "This section shall apply to any officer of any bank carrying on business in New Zealand, and to any officer of the Post-Office Savings-Bank, and of any other Government department which receives investments of money from the public." Mr. SEDDON .- That is the case now in the case of fraud. Captain RUSSELL .- Quite so; but this clause deals with cases where fraud is not set up, and compels the officers of banks to disclose secrets of their customers, which is at variance with their orders, and possibly an infringement of declarations made before admission to the bank. Now, I desire to suggest, as I have sug- gested on previous occasions, that there is a small amendment that might be made in the Act, without doing any harm to the finances of the colony, and that would alleviate one or two cases of hardship that have come within my own knowledge. In the amending Act of last year we altered the term during which a person might be absent from the colony in the twenty- five years to a period of four years ; but we ham- pered that provision with a subsection to the effect that such person would not be entitled to the benefit of the amendment if he had been absent from the colony during any part of the year immediately preceding the date when the principal Act was passed. Now, two cases have come under my own observation of persons who have lived practically the whole of their lives in New Zealand, but who were temporarily absent from the colony for a period not anything like four years, but in the year immediately preceding the date when the principal Act was passed. Those parties, who have appealed to me for help, have been able to show they have complied with every one of the provisions of the Act in all other respects - their conduct has been good, they have lived here for more than twenty-five years, and they have not been absent for more than four years; but, having been absent from the colony for a short time in the year immediately preceding the passing of the principal Act in 1898, they have been barred from receiving pensions.

if provision were made for them it would not open the door to fraud ;, and I would suggest to the Premier that it might be well to modify clause 2 of the amending Act of 1900 by striking out the 1st subsection of clause 2. This would allow such cases as I have alluded to -and there may be twenty or thirty of them at

the outside-to benefit under the Act. In one instance the case is particularly hard. An old woman I chanced to know is now in her seventy-hfth year. She has spent forty years in New Zea- land, and she is absolutely dependent at the present time; but from the fact that she was away from the colony in the year immediately preceding the passing of the Act of 1898 her claim is altogether barred. I would suggest that there could be no injury come to the colony by providing for cases of the kind. The benefit which the poor old people would get is in accord with the true spirit of the Act, and I would urge the Premier that he should move an amendment in Committee to meet such cases as that. Mr. HUTCHESON (Wellington City) .- Sir, I have only a few words to say regarding the Bill Generally I approve of the provisions of the measure. It has been obvious to honourable members and to any observant citizen that there are defects in the existing law, and that abuses have crept in which the Legislature could not have foreseen. On a former occasion this session I drew the attention of the Right Hon. the Premier to a case which I considered a gross abuse of this beneficent law. A certain woman in the neighbourhood of Wellington, at the death of her husband, was left a property of a hundred acres of frechold land, a dairy farm well stocked, a lucrative milk-run in the city, and two strapping grown-up sons. She divested herself of that property to her sons, and went a trip to the Old Country for the best part of a year. She returned and took up her residence with her sons, with whom she is at present living in comfort, if not in affluence, and she is in receipt of an old-age pension. I made that statement on the assurance of a neigh- bour living in the district. That state- ment has since been verified by a gentleman, who, in his capacity as a Justice of the Peace, has had to attest certain documents proving the truth of the statements. These are cases that have to be dealt with. And I am pleased to see in clause 6 of the Bill what I believe to be at least a step towards the real cure for this matter. We must deal with human nature as we find it, and, as all human nature is weak, so abuses are liable to creep in. Now, I suggested to the Premier to make this pension universal. Mr. TANNER .- No. Mr. HUTCHESON .- The honourable mem- ber for Avon says "No." But I did not make the bald statement to the Premier. I made this suggestion, which, though it may be crude and perhaps unworkable, is worthy of consideration : -- " Provided the applicant agreed to bequeath to the State at death all property he died pos- Captain Russell certain defined family heirlooms, any person may, on complying with the other conditions of the principal Act, claim and receive a pension." Would that not be the true test of whether the necessity existed for the pension or not, if the person knew that he could not divest him- self of any of his property during life, and that he was liable to have everything except personal effects or family relics, everything in the nature of real estate, or money invested in banks or on mortgage, claimed by the Government ? Would that not be an easy means of ascertaining whether they really required the old-age pen- sion or not? Now, on investigation that may be found absolutely impracticable ; but some of the essence of it, I see, is here incorporated in clause 6 of this Bill. That is to say, the State proposes to indemnify itself for all moneys im- properly got during life at the demise of the pensioner. I say the reimbursing itself for moneys paid is not sufficient. It ought to be placed upon the same lines as evasions of the Customs tariff. There the penalty is generally three times the amount of the value of the goods, together with a fine ; and I say the House might with advantage increase the deterrent influence proposed in clause 6. Now, passing from the proposals, and the suggestions I have made, I must say that those who are entirely dependant upon the amount of the present pension do not receive enough for a mere subsistence : 6s. 11d. a week is by no means adequate for those who are entirely destitute. I made a suggestion in 1898-which may be also crude and unwork- able, but still I consider it is well worth re- peating,-that the functions of our Government Life Insurance Office be extended, as they have been extended in connection with the accident insurance, in the way of a branch for the re- ceipt of any sums of money from 6d. upwards at any time of life by an individual, and at any intermittent period. All of us who are as- sociated with friendly societies know that it is the necessity for the regularity of the pay- ment of a stipulated sum that causes so many members to drop out of the benefit. Through the

intermittent nature of their work, mem- bers of these societies are at times so hard up that they are, perforce, compelled to drop into arrears. So it is also with the life in- surance policies. I once had the melancholy pleasure of overhauling an old ledger of an insurance company, and I was struck with the dreary repetition on folio after folio, for hundreds of pages, of the same sad tale, " Lapsed, lapsed, lapsed," " Drowned at sea off Greymouth bar," " Lapsed, lapsed, lapsed," and so on ; and why? Because the wages produced by the intermittent work of the labouring- classes do not give them reasonable assurance that they can make the stipulated payments with unfailing regularity. Now, to elaborate a little, suppose this branch of the Government Life Insurance Office were to receive during this week, say, a few shillings from a worker who had been able to make a little from overtime, and then for a month or two nothing further was paid in, the man himself to be the only

could pay, that money, irrecoverable by the de- positor or any one else, to be set aside and placed at interest for one specific purpose-namely, to provide a life annuity at the same time as he is qualified for his old-age pension. So that, whatever might be the annuity purchasable by the capital sum, with added interest, so lodged by the depositor, it would be paid at the age of sixty-five, together with his old-age pension of 6s. 11d. That would give an incentive to the individual, whenever an opportunity afforded, to enhance the prospective value of the old-age pension. And, taking 6s. 11d. as the basis, it would largely depend upon the endeavours of the individual as to what his annuity would be at the time he required the old-age pension. It might also afford the alternative of enabling the individual to anticipate the time when he might claim his old-age pension. My colleague for the City a little time ago interjected that the people down the Coast grew old very young. Well, there was a wealth of truth in that state- ment, and the Right Hon. the Premier knows it, for those who work underground in a damp and unwholesome atmosphere do grow old very young. Men who are the very type of strong and lusty manhood, under certain circum- stances are old men at fifty-five. Now, I say, if such a fund were available to a work- man, if he were incapacitated for work he might anticipate the date of his pension, and, with so much to his credit, could secure his pension perhaps at the age of fifty five. Now, I feel sure that, as we go on and experience gives us fresh knowledge, something will be done to submit a universal test as to the neces- sity for this pension ; and, further, to give an incentive to every individual in the State to do something for himself when opportunity affords throughout the whole of his working lifetime. from, say, seventeen or eighteen years of age to whatever time he may seek to realise his pension. Generally, I support the Bill, and, with the exception I mentioned, I approve of its provisions. I think there ought to be some- thing to prohibit wealthy people from conceal- ing their means, and at their death the estate might be made to bear considerable penalties, so as to put a stop to any such practice. hope the Bill will have an easy passage through Committee, and will be amended in the direc- tion I have mentioned. Mr. ATKINSON (Wellington City). - The Right Hon. the Premier will not be happy if he hears only one Wellington member at this period of the evening, which we have come to regard as our particular perquisite. Mr. SEDDON .- You are making a mistake in putting it that way. Mr. ATKINSON .-- Then, perhaps I may put it this way, and I shall not be making a mistake if I say I shall endeavour to oblige the Premier by being as brief as possible. I shall meet the wishes of the Premier and the rest of the House by saying absolutely nothing that will reopen the questions of principle involved in our old- age pensions legislation, and nothing of the nature of a second-reading speech. But I tion, to make a few criticisms - rather in the nature of suggestions for Committee- upon the Bill, which as a whole I approve. There is another thing about which I 8.30. was very pleased, and that was the Right Hon. the Treasurer's statement in the Budget that he has " reasons for believing that imposition is practised, and that evasion of the law to some extent prevails," with regard to old-age pensions. In 1899, in a memorandum on the subject from the Premier to His Excel- lency, which was forwarded to the Secretary of State for the Colonies, a statement to a directly contrary purport was

made. In a passage in His Excellency's despatch, dated 4th August, 1899, enclosing the memorandum, the state- ment is repeated : - "A very satisfactory feature in connection with the working of the Act has been the very few attempts at fraud and misrepresentation." It is gratifying to find the Premier is taking a different view now. As he said, the Magistrates think that there is not much fraud, but the man in the street is more suspicious. We are all very much in the dark, but certainly we should endeavour to make the tests accurate. We are in exactly the same position as the Americans with regard to their military pension system. Almost half their military expenses- about $150,000,000 a year-are taken up in pensions, of which it is estimated that one- half are fraudulent. There is an interesting article on the subject in the August Forum, by Francis E. Leupp, entitled "Defects in our Pension System," from which I have only time for the following extract :- "It is plain that the Government has to trust more to good luck than to anything else to save itself from being continually cheated. One perennial source of danger is the ex parte character of nearly all proceedings in pension cases, the Government having no opportunity to know or to cross-question either the prin- cipal in a case or his witnesses." The right honourable gentleman last session was very strongly opposed to the suggestion made by the honourable member for the Bay of Plenty and others, to the effect that the Crown should be represented in the Old-age Pensions Court, and he stated that "sooner than the poor unfortunate old men or old women should have to undergo this cross-fire between the Magistrate and the representative of the Crown, and perhaps a member of the legal profession thrown in," he "would rather there would be a few who would obtain pensions wrongly under the existing conditions." He also said, "I will never be a party to putting these old people in any such humiliating posi- tion." It is gratifying to see that the Premier has changed his opinion, and that we are now all agreed that we must do what we can to check such fraudulent claims as succeed. I think the Right Hon. the Premier should accede to the suggestion of the member for the North- ern Maori District, that that important paper from which he read extracts should be put in the possession of the House. I do not quite

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that the right honourable gentleman gave us, but it appears from that, that a considerable number both of European and pakeha pen- sioners have certainly got property, and, not- withstanding, are holding pensions. Now, with regard to the details of the Bill, I think it is de- sirable that the Deputy Registrar, as represent- ing the Crown, should have power to appear and examine and cross-examine applicants. That appears to me to be a desirable power ; but I would like to point this out : that the Premier's objection last year was that he did not care to have the old people worried by cross-examination in Court. Now, there is a risk of that, of course, and there is something to be said for that view; but I wish to point out that the inquiry could be inoffensively con- ducted out of Court altogether, and the inquiry should, therefore, be intrusted to some special officer, not the Deputy Registrar, who, unfor- tunately, has got his hands full already, and who gets an extra $25 or 950 for his old-age pension work on the top of some regular salary. But I would suggest that the proper course would be to have some officer whose sole func- tion it was to investigate these claims and report upon them to the Magistrate. In nine cases out of ten, no doubt, the report would be acted upon by the Magistrate. Honourable members, of course, will remember that convic- tions for certain classes of offences constitute a disqualification for an old-age pension. Well, of course, that is a matter within the cognisance of the police, and upon which the Inspector or sergeant in charge would always be able to report to the Magistrate as to the nature of the conviction recorded. Now, the Magistrate, sitting as Judge in the Old-age Pensions Court, has not even that infor- mation before him now. There is no police officer, there is no other officer, who is under an obligation to report to him with regard to the criminal record of any possible applicant who may be before the Court. It is utterly impos- sible, of course, for a Magistrate or counsel for the Crown to elicit by any cross-examination from the applicant himself as to whether or not he has been criminally convicted within the last five or ten years, or

whatever the period may be for the particular offence fixed by the Act. Inquiry beforehand and out of Court is necessary for this, and the procedure of the Probation Officer or of the Charitable Aid Board offers a good analogy to what is re- quired. A Charitable Aid Board which does its work properly conducts a vigorous and searching inquiry into the cases that come before it without any publicity or any offence. I submit to the Premier this is the true solu- tion of the difficulty. I disagree entirely with the honourable member of Hawke's Bay, who says that section 3 gives too wide a power to the Deputy Registrar. It seems to me any ap. plicant for the pension may legitimately be asked in reference to his bank account, and that any officer of the bank may be asked to answer ques- tions bearing on the case, and I say that for the purpose of inquiry under section 4 the same Mr. Atkinson so far as it goes, but I should like to see it go further. The Premier stated-though it is new to me-that the Victorian Bill gave absolute power to inquire into the circumstances of all the relatives of an applicant for a pension, and I fail to see why this clause should not go just as far. The marginal note says "Circumstances of relatives may be considered," but the body of the clause limits it to children. The Pre- mier is entitled to credit for clause 6, which provides that if, on the death of a pensioner, it is found that he has drawn more pension-money than he was entitled to, the excess shall be deemed a debt due by his estate to the Crown. I would suggest that it is desirable not merely that the money paid to the pensioner should be recovered from his estate, but also that the estate should be penalised, otherwise there is no deterrent on fraud. Mr. SEDDON .- The income-tax, I believe, ie trebled. Mr. ATKINSON .- Yes; and under the Cus- toms, I believe, there is a provision to meet similar cases. I hope when we get into Com- mittee that this question will be dealt with. The only other point I wish to touch upon is the provision in respect to the Maoris. It ap- pears to me that a pakcha tribunal cannot possibly satisfactorily conduct the necessary investigations with respect to the claims of Maoris for old-age pensions. I do not say that the members of the tribunal must necessarily be Maoris, but I do suggest that we have the Native Land Court ready to hand as the only competent tribunal to judge these questions. Take a man like Judge Mackay. He is a perfect encyclopedia and a registry office in himself, in his knowledge in respect to hundreds and thousands of Natives. He can tell you what land these Natives pos- sess, where it is situated, and what it is worth. A man like that could very well conduct these investigations. But I do not see that we can appoint a pakeha tribunal of any kind which will be satisfactory in con- ducting these investigations. I submit that point to the Premier for his consideration. Mr. SEDDON. - We can deal with that, I think, by providing that the nearest Judge of the Native Land Court should sit with the Magistrate. Mr. ATKINSON. - Perhaps a great many Maori claimants would not appear if such a provision were made. I heartily approve of the Bill so far as it goes, and when it is in Committee I shall assist to make it more effective, and, where necessary, more drastic. Mr. LANG (Waikato). - The Premier, in moving the second reading of this Bill, gave as a principal reason for its introduction the large amount of fraud which had taken place in connection with the Act. He said that "it shakes confidence in the whole structure." I think that until the pensions are made universal there will always be fraud in the way the Pre- mier has indicated. If the pensions were given to every one who is sixty-five years old and has been twenty-five years in the colony we should

Charitable Aid Act, and the tendency of the pre- sent Bill is to go still more in the direction of charitable aid. One of my principal reasons for rising was to bring under the notice of the Pre- mier the great hardships which some old-age pensioners have suffered in not getting their pensions renewed at the proper time. In some parts of the King-country they have had to wait for several months before they could get their pensions renewed. I do not know that that is likely to happen again ; but those pen- sioners have been put to great inconvenience They were not paid for several months. Of course, they were ultimately paid their back money, but there was considerable delay, and they were put to much expense in order to get their pensions paid. Then, in reference to a remark made by the member for Hawke's Bay, with

reference to applicants being con- tinuously in the colony for twenty-five years, with the exception of four years, before such persons shall be entitled to a pension, I may say that when the principal Act was before the House I moved an amendment to subclause (2) of clause 8, to strike out the word "continu- ously," so that a pension could be paid to any one who had resided in the colony for twenty- five years, and was sixty-five years of age. I have since then had brought under my notice -and I have mentioned it in the House before- some cases where very great hardships have occurred. For instance, there is the case of a man seventy five years of age, who is helpless from rheumatism, who has been in the colony for forty years, and yet who is not entitled to a pension because he has been out of the colony during the last twenty-five years of those forty years for a period of over four years. I think that such a person is as much or more entitled to a pension than a person who has only lived in the colony for twenty-five years continu- ously. Bill read a second time. IN COMMITTEE. Clause 3 .- " (1.) It shall be the duty of every person to make true answers to all questions concerning any applicant for a pension or re- newal put to him by the Deputy Registrar or any officer authorised in that behalf by the De- puty Registrar. " (2.) Every person commits an offence who- " (a.) Refuses to answer any such question ; or " (b.) Makes any answer knowing the same to be untrue. "(3.) This section shall apply to any officer of any bank carrying on business in New Zea- land, and to any officer of the Post-Office Savings-Bank, and of any other Government department which receives investments of money from the public." Mr. GUINNESS (Grey) moved to insert, after the word "renewal," the words "or any .of the statements contained in any application or a pension or renewal certificate." Amendment agreed to, and words inserted. tion (3) after the word " bank " to insert the words "or other corporation." Words added, and clause as amended agreed to. Clause 4 .- " (1.) On the hearing of any appli- cation for a pension or renewal certificate the Magistrate shall inquire into the circumstances of the sons and daughters of the applicant, and if in his opinion those circumstances are such as not to warrant the granting of a pension, or if on such inquiry he finds that any real or personal property has been transferred by the applicant to any such son or daughter, he may in his discretion refuse the application, or grant such reduced pension as he thinks fair and just." Mr. SEDDON (Premier) moved to strike out all the words from "the Magistrate shall inquire " to " on such inquiry he," inclusive, and insert " if the Magistrate." Amendment agreed to. Mr. MASSEY (Franklin) moved to strike out the words, "such son or daughter," with the view of inserting " person." Amendment agreed to. Mr. SEDDON (Premier) moved to strike out the words, "in his discretion," with the view of inserting "inquire into such transfer and." Amendment agreed to. Mr. SEDDON (Premier) moved to strike out "such " and insert "a," in last line, and to omit the words "as he thinks fair and just." Amendment agreed to, and clause as amended agreed to. Clause 5 .- " If at any time during the cur- rency of a pension the pensioner becomes pos- sessed of any property in excess of what is allowed by law in respect to the amount of pension granted to him, the Deputy Registrar may apply to the Magistrate, who may on inquiry either contirm or cancel the pension, or vary the amount thereof." Mr. ATKINSON (Wellington City) moved, That the words "or income " be inserted after "property." Amendment agreed to. Mr. PIRANI (Palmerston) moved, That the following words be added to the clause : " But no person shall be disqualified from receiving a pension by the fact that during the previous year his income exceeded thirty-four pounds." Amendment negatived, and clause as amended agreed to. Clause 6 .- " If on the death of any pensioner it is found that he was possessed of property in excess of what is allowed by law in respect of the amount of the pension granted to him, the amount of pension at any time paid to him in excess of that to which he was by law entitled may be recovered from the estate as a debt due to the Crown." Mr. SEDDON (Premier) moved to omit all words after "death of any pensioner," and substitute the following : "or of the wife or husband of any pensioner, it is found that he or either of them was possessed of property in excess of what is allowed by law in respect of the amount of the pension granted, the amount

which the pensioner was by law entitled may be recovered as a debt due to the Crown from the estate so found in excess." Amendment agreed to. Mr. HUTCHESON (Wellington City) moved to insert the word "double," after the word "granted," and before the words " the amount of pension." Amendment agreed to. Mr. SEDDON (Premier) moved to add the following proviso :- " Provided that this section shall not apply in cases where the husband and wife were living apart pursuant to decree, order, or deed of separation." Proviso added, and clause as amended agreed to. Clause 8 .- " Every person who commits an offence under this Act for which no penalty is elsewhere provided is liable to a penalty not exceeding ten pounds." On the motion of Mr. SEDDON (Premier), the word "elsewhere" was struck out, and "otherwise " substituted ; and the words "in any other Act " were inserted, after the word, " provided." Clause as amended agreed to. Mr. GUINNESS (Grey), on behalf of Major Steward (Acting Chairman), moved the addi- tion of the following new clause :- " If any claimant for an old-age pension is already in receipt of an Imperial or colonial pension for or in respect of military service not exceeding two shillings per diem, such military pension shall not be calculated as part of his income when his claim for an old-age pension is under examination." Attention being called to the nature of the clause by Mr. SEDDON (Premier), The ACTING-CHAIRMAN (Major Steward) ruled that the proposed new clause was out of order, being in the nature of an appropriation clause. Clause 5 was reconsidered by unanimous consent of the Committee. Mr. SEDDON (Premier) moved the addi- tion to the clause of the following words : " Provided that, should the excess of income as mentioned in this section cease, the pension shall be immediately restored to the original amount." Amendment agreed to. Mr. G. W. RUSSELL (Riccarton) moved to add the following new clause :- " In assessing the net capital value of ac- cumulated property under section ten of the principal Act, each applicant shall be allowed, in addition to the sum of fifty pounds therein provided, to the value of a sum not exceeding one hundred pounds of any house and land bona fide owned and occupied by him." The ACTING-CHAIRMAN (Major Steward) ruled that this was exactly on the same footing as the clause which had been drafted by him- self. It would extend the amount, and with- out a recommendation from the Crown could not be put. Bill reported, and read a third time. Mr. Seddon WORKS AND LOANS BILL. Mr. SEDDON (Premier). - This Bill is to meet a condition of things existing in some of our goldfield townships. Under the existing law the properties there are Crown lands and held under lease or license from the Crown, it not being advisable to sell the land owing to the gold being in the quartz underneath the township, and in some instances in the auri- ferous drift. This being the case, when money is required to be borrowed for local public works, although the title of the properties is as good as any frechold title, they are not accept- able as a security, and the local authorities cannot raise any money under the Loans to Local Bodies Act. I will take the case of Ross, in the South Island, as an illustration. Then there are a number of the townships in the Otago District ; and more particularly there is the case of Waihi, up in the North Island. Probably that is the strongest case in point, seeing that this is the finest mining town- ship, I suppose, we have in the colony, and it is a growing township. They have there the necessity for a water - supply, seeing that outbreaks of fire have resulted in the wholesale destruction of property, and the security is quite good enough, because the whole county are prepared to make them- selves responsible; but they cannot borrow money and they cannot strike a rate, and the consequence is they cannot get on at all. See- ing that, after consultation with the officers, the security is quite good enough, and that the county authorities will be only too pleased to get the opportunity of raising the money for water purposes, I say, in the interests of the health of the inhabitants, for sanitary reasons, and for fire prevention, it is necessary they should have the power to raise the money. The Bill is simply to remove technical diffi- culties in the way with respect to goldfield townships. I move the second reading of the Bill. Bill read a second time. STATE COAL-MINES BILL. Mr. SEDDON (Premier) .- Sir, I promised that I would give the report upon one of the mines by the Committee of experts, and I may say that report is now in the hands

of the printer, and once it is printed, and before the Bill goes through Committee, I intend to place it before members. I wish, Sir, the House to affirm the principle that the time has arrived for the State to have its own coal-mines, and pass the second reading of this Bill. I know that it is a large question, and there may be something said against what is proposed. But the circumstances of the case, I think, warrant the Government in asking the House to take the course we are doing. In the matter of State services we have gone much further than older countries. In older countries you have no rail- ways owned by the State; you have no State steamers such as we have ; you have no telegraph- and post-offices belonging to the State the same as we have; and, when I tell

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extent of over 100,000 tons a year, and that I am within the bounds when I say there is an estimated saving of from 5s. to 7s. 6d. a ton upon so large a consumption as that, they will see that it will be an advantage to us if we had a State coal-mine. Then, another position favourable to the Government is this : we hold the lands. The land upon which the coal is be- longs to us, so that all we are asking in this Bill is for the necessary authority. Probably there will be this objection, which I had better meet at once, namely : that as there is so much capital invested in the coal-mines by private enterprise, it is unfair that the State should now step in and open and work a coal-mine of its own. Well, I provide that there shall be no competition till our own requirements have been met. If honourable members look at the Bill they will see that it is only after the State requirements are met that we are to go into the market as vendors of coal. I would also say, further than that, that practically the first coal we should deal with would be bitu- minous or hard coal, and consequently other coal-mines would not be affected. But, even suppose they were affected, we have a duty to perform to the taxpayers of the colony, and that is to obtain our coal at a reasonable rate. Without rhyme or reason the coal proprietors of the colony-at least those who serve the State-took upon themselves to raise the price of coal half a crown a ton. Now, they were not paying a sixpence more for hewing coal, for the price of winning and hewing coal was fixed by the Arbitration Court, and the men cannot participate in this increased profit until the award has expired. And, on making inquiry, I find that there has been no increased shipping charge. There was no increase in the railway rate, there was no increase in the miners' rates for cutting and drawing the coal ; and I do not see myself any reason for the increase except this : that there had been such a demand for coal that it was the opportunity of the coal- mine owners, and on that ground they were within their rights in doing so. I do not ques- tion their rights. The Imperial authorities-the Admiralty-were sending steamers for our coal, and, as they were scarcely able to meet this de- mand, it was their opportunity, and they raised the price. For coal which I know positively was put on board the boats at Greymouth and West- port for 10s. f.o.b., and then at Greymouth, they were asking 17s. 6d. a ton, and the Government thought that too high a rate, because we know that the freight of the Union Company is 5s., and they ask £1 1s. 6d. and £1 2s. from the Government. I say that the profits from that coal are unusually large. The Government could put that coal on board the boat, and there would be a profit, at 10s. per ton. The cutting-rates go from 2s. to, I think, 2s. 10d. Then, of course, we have to allow for trucking and getting that coal into the wagons, and I put that down at 3s. 6d., making it 3s. 10d. The railway-rates should be about 2s. 6d. and 3s., but I put it at 4s., and thus you have 7s. 10d. There is then only the cost of putting per ton gives a fair profit. As I say, if you add 5s. for the freight by steamer, and charge £1 1s. 6d. and $1 2s., as far as the Govern- ment is concerned, there is a very good margin of profit. But when you come to the consumers in the colony-those who use coal for household purposes-and you find they pay £1 8s. or £1 10s., and as high as $2 10s. per ton, it must be admitted it is in those cases it strikes home. I wish also to put forward the broader ground that the time has arrived for us to open a State coal-mine ; and why? Because private enterprise has not met the demands of the colony. There is not nearly enough coal being won at the present time to meet the demand. There are demands for coal for export, and there is no coal to send

away. If coal is sent away, then it means there is a famine in the colony-no coal for home consumption. These famines have oc- curred repeatedly, and the prices charged on those occasions have simply been famine prices. That has occurred in Christchurch. Wellington, and Auckland. An Hon. MEMBER .- Not in Auckland. Mr. SEDDON. - Yes, it had occurred there as far as the West Coast coal is concerned. Of course they have their own brown coal in that district. In Dunedin they are not so badly off, because there also they can get brown coal. Mr. MILLAR .-- The price for Westport coal is £2 2s. a ton in Dunedin. Mr. SEDDON .- Yes, $2 2s. a ton for West- port coal in Dunedin, and for cutting that coal the collier gets 2s. 10d. a ton, and by the time it gets to the consumer in Dunedin it is £2 2s. a ton. Mr. R. THOMPSON .- There is the cost of handling. Mr. SEDDON. - Yes, of course, there is a charge for handling the coal-so much per ton. Mr. W. FRASER .- Breakage. Mr. SEDDON .- Of course, there may be breakage as well. However, I am stating the facts ; and I say that, as the facts have been put previous to this, the sellers have never yet been able to explain the margin. However, the strong ground for which I wish to pass the Bill is this : that, as private enterprise has failed to meet the demands of the colony, the State must step in and do it. There is not enough coal won now to meet the demands of the Admiralty. Now, in my opinion there should be coal deposits in the colony available in case of emergency, both for the Admiralty and for the State. We have nothing of the kind at present. There should also be these coal deposits in the interests of the industries of the colony. If anything serious occurred, and cruisers blocked the coal ports, the in- dustries of New Zealand would be paralysed ; of course, they could not work without coal. That should not be so, and we ought to have deposits of coal to meet the emergencies. There are other nations that are prepared to come here for coal, but we have no coal to give them. Hence they are forced to go to Newcastle. Then, when I tell the House that last year

sand pounds' worth of coal-and this being a country teeming with coal-it must appear that there is something wrong. I am told it is obtaining Newcastle coal that has prevented the price of coal being raised on our consumers, and some manufacturers have told me, when the question came up as to imposing an import duty on Newcastle coal, " Oh, for Goodness sake, do not do that. Bad and all as Australia has treated us, if you raise the price of Newcastle coal, and put an import duty on it, it means you will raise it on us and on the industries. Newcastle coal is the only means we 9.0. have of keeping within a reasonable price." Well, there is a great deal of force in a contention of that kind ; but it is, I think, to our discredit that in a country such as this, where there are large tracts of coal easily ac- cessible, and the working of which requires no very large capital, there should be the present state of things existing. Now, the reports the Government have received, in respect to one case at least, are simply astounding. There are no shafts required, simply adits ; and there is already a railway partly made; and, in another case, a large area of coal, and every- thing in the hands of the Government at the present time, and at a very small cost, and you have the whole thing going. But, as I have said, I am not going on with the Bill in Com- mittee until the reports are in the hands of members, so that they may read them for themselves. The inquiries have been made in one part of the colony, but I have no doubt if reports were made in respect to other parts of the colony we should find the same state of things existing. Under these circumstances we must do something, otherwise our in- dustries will be stifled owing to the very high prices demanded for coal. I say, dealers are taking from the people an unfair amount for coal for household purposes. What creates the difficulties in respect to obtaining a living- wage is that house rents on the one hand and the price of coal and fuel on the other makes the cost of living so high that the work- ing-man, if he is to live at all, must struggle for a higher wage. Now, if you give those necessaries at the lowest possible price you give greater comfort, and the present wage, at all events, will suffice. Honourable members will recollect that for years past this matter has been before them, and it cannot be said that the step we are asking the House to take now is being taken hastily. It has been done de-

liberately and after the fullest information has been obtained. I have been met with the argument that this means more patronage to the Government. It means that both private enterprise and private coal-mine owners can obtain their coal at a given price, while, so far as the Government are concerned, there will be extravagance, and the coal will cost double what it could be purchased for from the pri- vate mine-owners. My answer to .hat is this : that the men who will be working for the Government in the State coal-mines will not be receiving any more than they are receiv- Mr. Seddon 1 no objection in this case, if it will facilitate mattters, in saying that the Conciliation and Arbitration Act might apply to the State coal- mines, rather than that we should lose the experiment I am asking the House to agree to make. Rather than impede the Bill's progress I would concede that, within reasonable limits. Mr. ELL .- You are coming on very well. Mr. SEDDON .- I am meeting an argument that might possibly arise. Then, so far as the railways are concerned, the railways that will carry the coal will belong to ourselves, and we should not charge ourselves more than we charge other people. We should, therefore, pay to the railways the same rates as are now being paid by the private coal-mine owpers. I then come to the carriage of the coal by steamers, and I say that as the State is taking at least 100,000 tons a year, we shall be in a position to obtain as reasonable terms from the shipowners as others- just the same terms as are now obtained by the pre- sent coal-mine owners. I do not, therefore, see how it is possible that it is going to cost the State any more than a private coal-mine owner. As I said, the State will not pay more than the private owner for hewing, or for the other work connected with it. It will not cost us more on the railways, and it will not cost us more on the steamers. Then, we come to the question of paying for management and administration. We shall pay the manager of our mine the same salary as is paid by private coal-mine owners, and he will, of course, have the same responsibility, and it will be, in the same way, to his credit to work the mine econo- mically and on commercial lines, and to take as deep an interest in it as would the manager of a privately-owned mine. I cannot see, there- fore, where there is any reason whatever to suppose that there will be a loss. There may not be much profit now in respect to bituminous coal-mines, and I shall probably be told that there are only two or three coal-mines in the colony that have given fair returns to the shareholders, and that are working at a profit. I admit that is so; but I would state also that though they have not, in some in- stances, given a direct return to the share. holders, there has been a large increase in the value of the properties. I know one particular coal-mining property where thousands and thousands of pounds have gone to the capital account out of the profits, and to-day the pro- perty is, I suppose, one of the most valuable in the colony. But there have been great mis- takes made in respect to some of our mines, and those mistakes have been made at the initial stage. First of all, the companies have not had sufficient capital, and there has been a good deal of capital sunk; and for this there never can be any return, because it is simply lost money. Some of the companies had not enough capital to start with, but here, under the Bill, we are asking for sufficient capital to allow us to start in such a way as to render mistakes almost next to impossible. An Hon. MEMBER .- You say "sell and de-

sumer ? Mr. SEDDON .- I have said that we have first to supply ourselves for State purposes, and I have mentioned in the House before that there will be State coal depots in the centres of population, and the people can go there and get coal for themselves. We will fix the price, and the people can go there, after we have served our State requirements, and get coal. There is nothing wrong in that. It is simple enough, and I have thought it all out. The State will not have carts for delivering the coal, but there will be carters; and any householder who wants a hundredweight of coal can get a carter to call for it at the State coal depot, pay the shilling or whatever it may be for the bag of coal, and off it goes. An Hon. MEMBER .- He can take a wheel- barrow. Mr. SEDDON .- I do not care whether he goes with a wheelbarrow or with an express ; it does not matter to me so long as the coal is delivered. Well, of course, gauged by how they do things in the Old Country and in other countries, and gauged by the past, people will wonder how and

why we take this departure and go into this thing. Well, I say, they may wonder as much as they like. I will take a practical view of the matter, and I say hun- dreds of people in the winter time in this colony cannot afford it, and do not get coal, and so their children suffer hardships from the cold in the winter. I say the price of coal in some cases in this colony, and in this very City of Wellington, is exorbitant. I know people have got to pay £2 10s. per ton for it. I will tell you another case that has come under my notice : I saw a letter the other day from Auckland in connection with the action of an enterprising individual there, with a small capital, to meet the requirements of the poorer people. There had been an association formed in Auckland and an agreement arrived at not to sell under a given quantity of coal. This man undertook to sell half the quantity stipu- lated in this agreement between these coal- dealers, and I saw the letter that was sent to him intimating that, unless he came to the terms and conditions and agreed not to sell in less quantities than than fixed by the associa- tion, he could get no more coal. Mr. FISHER .- We have had that in Wel- lington. Mr. SEDDON .- It shows there is an endea- your to keep up the price of coal. Although there may not be any direct connection between the coal-dealers and the mine-owners, yet how can the dealers say that from the shipping- owner or from the coal-mine owner " You will get no more coal "? There may be really no direct connection between them, but, some- how or other, in this case the dealer got no more coal. Well, I know another case, and it is this : that when the co operative men took up the Mokihinui Mine, which was sup- posed to be valueless, and would not give any coal at all, they asked the Union Steamship Company what they would charge them for it when I tell them that the price was either Gd. or Od. more per ton to these co-operative workmen to carry their coal from Westport to Wellington than the company charged the Westport Coal Company? Now, what was the reason for that? Why should the Union Steamship Company put on 9d. per ton more to one coal-mine owner than another ? Mr. R. THOMPSON .- How do you propose to carry the coal from the State mine ? Mr. SEDDON .- I say we shall be in this position : we shall be able to say to the steam- ship owners, "We have a given quantity of coal which we wish carried. What will you carry it for?" We can enter into a contract with the Union Steamship Company in this matter. The Union Steamship Company is just as amenable to reason as any other company, be- cause we shall say, " If 5s. is a reasonable price for you to charge the Westport Company we want our coal carried at the same price." Now, that is fair. But, I will say, in this connection, we have to consider the class of vessel engaged in the trade. They have up-to-date coal-carry- ing vessels trading from and to Newcastle. I inquired into this matter when in Sydney, and I got the fullest information in respect to the vessels engaged in the coal trade ; and I say that it could be carried at considerably less than it is being carried here now if we had suitable vessels, and vessels built and fitted for this specific purpose. The reason why the cost of coal is so high at the present time, so far as freights are concerned, is because we have an obsolete class of steamers in the trade. That has a great deal to do, in my opinion, with the extra freight that is now charged for carrying coal. I do not say it is so. I do not find any fault with the 5s. a ton for coal from Westport to Wellington ; but I only use this as an argument in answering the question, " How do you propose to carry your coal ? " I do not propose, unless as a last resource, to have our own vessels carrying coal, so we may leave that out of our calculations. I mention ships in the Bill because you want to be armed at every point, and, at all events, we shall want hulks to put the coal in when it comes to port. I have gone through the reasons for introducing the Bill, and I will now go through the Bill so that members may understand the bearing of each clause. First, certain portions of Crown land are set apart for State coal-mines. An Hon. MEMBER .- How are you going to do- that ? Mr. SEDDON .- You get the Land Board to reserve a piece of land for State coal-mine purposes. Subsection (3) is a precautionary measure. There are people already on the alert, and there will be a number of applications for land carrying coal. Section 4 provides for lands being held as coal-mines. Section 5 is really the Bill. It provides that the Minister working the mine shall be subject to the same laws in respect to mines as the private individual. That is only fair and reasonable. Then there is pro- vision for

powers of the Minister for carrying on coal-mining, appointment of managers, engi-
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et cetera. Then, subsection (3) provides that, after State requirements have been fulfilled, the Minister may sell and supply coal ; and sub- section (4), as previously stated, provides that he may enter into contracts and engagements. Subsection (5) gives general powers. Under section 7 provision is made for private con- tracts to be transferred to the Minister on the coal-mine being taken over. I may say, in respect to this, it is the intention of the Government that every transaction shall be laid on the table of the House within ten days of the beginning of each session, and the fullest information given to Parliament. Now, as to the power of raising the moneys, we take the power here to raise $150,000. That will be raised as an ordinary liability of the colony. I do not think we should require the amount I have mentioned; but it is well, I think, to be strong, and not to be crippled for want of the necessary capital. The security is mentioned in section 11; section 12 deals with the debentures. As to section 13, I think mem- bers will approve of that. Captain RUSSELL. - Why provide for a 4-per-cent. loan for forty years-clause 12, sub-section (3) ? Mr. SEDDON .- I put in 4 per cent. at pre- sent owing to reasons that are known to the honourable member, and we have put that pro- vision in other Bills. An Hon. MEMBER .- Why not look ahead ? Mr. SEDDON. - So I do; but it is not to be said that I am going to give debentures at 4 per cent. for forty years, although I have taken the power to do so. We have the power now, under the present law, and we are only giving 3 per cent. under other loans. The same power is contained in the last loan Act, and also in other loan Acts. Section 13 is as follows : - "With respect to each coal-mine worked by the Minister under this Act the following pro- visions shall apply :- "(1.) The Minister shall cause full and faith-ful accounts to be kept of all moneys received and expended, and of all credits and liabilities. "(2.) Within twenty-one days after the close of each financial year the Minister shall cause a balance-sheet for the year to be prepared, together with a statement of accounts (including a capital account and a profit and loss account). " (3.) Such balance sheet and statement shall be so prepared as to show fully and faithfully the financial position of the mine, and the financial result of its operations for the year. " (4.) Within twenty-eight days after the close of each financial year the Minister shall cause the balance-sheet and statement of accounts for the year to be submitted to the Audit Office for audit. " (5.) The balance - sheet and statement of accounts, duly audited, together with a report by the manager on the opera- Mr. Seddon within ten days after the audit is completed, be laid by the Minister before Parliament, if sitting, and if not, then within ten days after the commencement of the next ensuing session thereof." So that we have already made provision for what I stated was a very necessary thing to do. Then comes the allocation of the profits. Clause 14 provides,- " After full provision has, in the case of each mine, been made for all outgoings, losses, and liabilities for the year (including interest and debentures issued, and on moneys paid out of the Consolidated Fund and not recouped), the net surplus profits then remaining shall be applied in establishing a sinking fund in respect of debentures issued, or money to be recouped to the Consolidated Fund as aforesaid, and, subject thereto, in establishing a depreciation fund in respect of capital expended." We have taken it for granted that we shall obtain more coal from the State coal-mines than we shall require for ourselves, and if we have from the sale of that coal and the working of the mine a net profit of 5 per cent., then for the next year the price of coal will be reduced proportionately. An Hon. MEMBER. - If you have not made 5 per cent., what then ? Mr. SEDDON .- If we have not made 5 per cent. we shall keep at the then existing rates. An Hon. MEMBER .- If you make a loss you will keep it ? Mr. SEDDON .- No; that does not follow. You may work your mine without a loss and you may not make 5 per cent. You may make only 3 per cent .; and, therefore, anything be- tween working at par and 5 per cent. you would do nothing; but in the case of anything over 5 per cent. you give away in the way of reduc- tion. That is reasonable. I suppose I shall be told that we cannot do this without a loss. My own opinion is this : that the very fact of having our own mines to supply our own re- quirements will keep

down to a reasonable rate the price of coal. I do not see how we are to lose at 7s. 6d. a ton as between the estimated cost and what we are now paying, which is now being made out of us; and I have that on the most positive information. Is it to be said we cannot work a mine, when they are making 7s. 6d. a ton profit out of us at the present time ? Why, it is a moral impossibility for there to be any loss. Mr. MASSEY .- Do you know of any coal- mine owners who have made fortunes ? Mr. SEDDON .- Yes, I do. Then, under the head of " Miscellaneous," I have said that the mines should be worked under the same laws as apply to private mines. I have said that the moneys payable are to be appropriated by Par- liament. Then, we make the same provision in section 18 as applies at the existing time to private coal-mines, as, for instance, the West- port and Greymouth coal-mines-namely, that, as moneys were advanced by the State, the net profits of Greymouth and Westport have

interest on the moneys borrowed ; so, of course, these payments will go to the Rail- way Department, and that applies in the same way as the moneys received now from the Westport and the Grey coal-mine owners. I do not know there is anything more I can add. We shall probably have ridicule cast on the proposals. Great losses may be put before honourable members as being likely to happen, and those who are weak may hesitate and fear we are going to do something desperate. My own opinion is that it will never be noticed at all. We shall establish a coal-mine, we shall supply our own requirements, we shall supply those requirements at less than we are doing at the present time, and we shall give the opportunity to other coal-mine owners to sup- ply markets . which at present they have to refuse. I know that a great many orders have been refused. ¿ Application has been made for thousands of tons of coal in this colony that the present coal-mine owners cannot supply. It will be in the interests of our colony, with the vast deposits of coal we have, that we should obtain coal for ourselves, and so leave the coal-mine owners to supply the demands that come to them. Under all these circumstances, and as private enterprise now has not met the requirements, I say it is a wise and prudent thing for us to step in and do this. I say, in conclusion, we must settle this question once and for ever, as the fact of this scheme being mentioned for the last few years has prevented private people investing money in coal-mines. If we are going to do it, let us do it at once. If we are not going to do it, let us say so definitely, and let private enter- prise do what is needed. My advice is to pro- ceed with the scheme. In the case of other new departures which we have made there have been warnings of loss and peril that have not been met with, and I believe it will be the same in respect to the State coal-mine. I have very great pleasure in now moving the second reading of the Bill. Mr. WILLIS (Wanganui) .- I am very pleased indeed that the Premier has had the courage of his opinions by bringing down a Bill of this character. It may be, perhaps, there are those in this House who are opposed to anything in the nature of a new scheme of this kind. My own opinion is that this attempt to carry out a State coal-mine has as good a chance of being & success as any scheme that has been carried out by this colony. Whenever anything new has been attempted there has always been a certain section of the community who are ready to decry it and to say it is dangerous ; that State influence in some way or other will be brought to bear, and that from various reasons it is utterly impossible that such a thing can be a success. Now, my own opinion is that 9.30. there is no matter of more conse- quence to us as a people than the getting our coal at a fair and reasonable rate. Not only is it necessary that the State should have a plentiful supply for its own purposes, but there is so much dependent on coal for our ! VOL. OXIX .- 45. the large number of the poor people of this' colony, who are entirely dependent upon the supply of coal for warmth, comfort, and cook- ing, so essential to life. The reason I par- ticularly would like to see an attempt made to work a State coal-mine is that I am per- fectly satisfied in my own mind that a monoply is existing at the present time in regard to these mines. The Premier stated that he knew a case in Auckland where a merchant was tied down to charge a certain price, or have his supply of coal stopped. I can corroborate the words of the

Premier, and I can state-I have the list of prices at the present time in my hand -- that some of the merchants are com- pelled to sell at a price agreed to by the mine- owners, and in the event of their not selling at those prices they will no longer get supplied with coal. Mr. SEDDON .- Will you repeat that ? Mr. WILLIS .- I have this from one of the coal merchants themselves, and he supplied me with these facts, and he said he was com- pelled to come in, for if he did not come in and sell his coal at this tariff he would no longer be supplied with coal. The tariff is £2 2s. a ton, but it is also sold by the hundredweight ; but in that case it comes particularly hard on the poorer class of people, because they are not allowed to sell coal at less than £2 10s. per ton -that is, by the hundredweight-which I con- sider is an altogether unreasonably high price. Nor do I think it is in the interest of the people generally that monopolies of this kind should be allowed to exist. Not only are we threatened with these monopolies in coal, but there is one article even more important- namely, flour-in connection with which we have a trust in this colony. I have already given the circumstance of what has occurred with the flour trust within my own knowledge, in which a man was actually threatened that if he did not sell at the price laid down by the trust they would bring down the price of flour in his district and undersell him by £1 a ton. An Hon. MEMBER .- Was the price exor- bitant ? Mr. WILLIS .- I do not know ; but if it was not, why should they take objection to a miller in Wanganui selling at the price he did; and why should they endeavour to compel him not only to take shares in the trust, but also to bring the price of flour up to the price they chose to dictate to him? I say that this state of affairs should not exist, and that if New Zealand is to institute this state of trusts in the most important of the necessaries of life it is about time the State interfered to stop it. Sir, I mentioned a case some time ago in this House, of which, unfortunately, I have a very keen recollection. About six months ago, when the members of our Har- bour Board found that we had more money than we actually required for immediate needs, and. we had a surplus -- I am proud to say our Harbour Board is in an excellent financial position ; we found we had £1,000 annually to the good -- a committee was set up to decide

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the benefit of that money-in what way it might be indirectly returned to them. An Hon. MEMBER. - Reduce the harbour dues. Mr. WILLIS .- Exactly. That is what was done ; and the question then came as to the best way to reduce the dues, and the com- mittee resolved to lower the charges on coal, and the wharfage dues were at once reduced from 2s. 6d. to 1s. One would have thought that in that way the poorer people of the town, and those using steam-engines, would have de- rived a benefit from that reduction ; but they did not do so at all, for within a few days after- wards the price of coal was raised by the mine- owners equal to the amount of that money, and the whole of the £1,000 is now going into the pockets of coal-mine owners, while not a penny is going to the people of Wanganui. Sir, I am Chairman of the Wanganui Harbour Board, and I have been twitted with the mistake that was made in reducing the dues on coal. That is one reason, then, why I state, of my own knowledge, the way in which the Wanganui people have been treated, and the disappoint- ment we feel at our good intentions being frustrated. Instead of the money going, as it should have gone, wholly for the benefit of the people of the town, it has gone to the benefit of the coal-mine owners. Sir, my opinion is that under this Bill a better state of things will be brought about, as monopolies will be impossible. I am satisfied that the Government will be quite capable of working a State coal-mine in a satisfactory and economical manner, and be able, if necessary, to supply the merchants themselves. Surely, if they can undertake larger undertakings, such as running the railways, in a way that is every- where acknowledged to be satisfactory, they can also run a State coal- mine, which docs not employ anything like the number of hands who are engaged on the railways. With regard to the question that has been raised about taking the coal away, I cannot see there is any difficulty in it. Contracts could be entered into; and, if things came to the worst, why should not the State provide its own properly fitted-up steamer ? I regard this scheme as a valuable experiment. I hope it

will receive the support of members of the House, and I trust the Government will be given the opportunity of undertaking a work that will undoubtedly be for the benefit of all the people of the colony- one that I am sure is likely to be a success, and one that we shall ever afterwards be glad that we undertook. Sir, I have much pleasure in supporting the second reading of the Bill. Mr. J. ALLEN (Bruce) .- Sir, it is interest- ing to note that, when a large question like this is being debated, the Government benches are occupied by two Ministers and two of their followers ; that on the cross-benches there are seven members, that on the opposite cross- benches there are also seven members, while most of the Opposition are here. Mr. SEDDON .- Oh, no. There are only nine of the Opposition. Mr. Willis half, anyway. Sir, the question before the House to-night is certainly a question of policy. I speak on the question with some knowledge of the subject, as I am interested in a coal- mine myself. I do not think the Bill will per- sonally affect me at all. I do not think it will affect our interests in the South, because it provides that the State shall supply its own requirements first. After having done that it certainly does provide that the State may supply others, and even retail coal. I do not assume for a moment that that will take place in the South, where there are so many coal- mines that all the requirements are met. As rewards Government contracts over the rail- ways, they do not affect me-at any rate, personally-because we do not take any Go- vernment contracts. We can do better else- where. And, although interested in the in- dustry, in speaking on this BiH I hope what I may say to the House will be said in a disinterested manner. The Premier has said that private enterprise has failed to supply the wants of the colony in respect to coal, and he proposes now to make up for that want on the part of those who are engaged in this industry privately by starting a State coal-mine. Now, how is that going to affect the private supply of coal? He has already had to admit that the very mention of these State coal-mines has killed private enterprise in coal industries. Mr. SEDDON .- I said they would not invest any further at present until the question of having a State coal-mine or otherwise was settled. Mr. J. ALLEN .- That is the same thing. I know of an instance in which an engineer was authorised to go to the northern part of the South Island for the purpose of investigating the coal areas there with the object of English capital being invested to open up those coal areas. So soon as they heard this project of a State coal-mine that engineer was withdrawn. He did not report, and that English capital has now no chance of being invested ; and the extra competition that would have accrued through another coal-mine being opened is lost to the colony. An Hon. MEMBER .- No. Mr. J. ALLEN .- I say what I know to be a fact. Now, the Premier proposes, instead of private competition, to bring the State into competition with the existing private owner. He first of all suggested to the House that he did not intend that the State coal-mine should compete with private owners, but as he warmed up to his subject he drifted off into State com- petition with private owners. Sir, I take it there can be only one conclusion come to, if the State is going into coal-mining to compete with the private owner: if the State can mine at a cheaper rate than the private owner they will kill the private owner, and if they cannot the private owner will still exist. Now, the Pre- mier has made certain assumptions with re- gard to the price at which the State can put coal on the market. They are only assump- tions, which cannot be proved until the State

the game in respect to a less troublesome in- dustry than coal-mining, and with failure-so far, at any rate. I refer, for instance, to the State lime-kilns. The State has started a lime-kiln industry and lime-burning, and it is retailing lime at 12s. a ton. A return placed upon the table sets forth that it is costing the State 9s. 4d. a ton, and then it goes on to say, "We have not included in these charges any interest for capital," et cetera. I forget exactly what the details were, but cost of management. I think, was not included, and certainly not the interest on the cost of construction of the railway and the various other things, which, according to the return, made the cost up to 11s. 6d. per ton, the State retailing it at 12s. I think I know enough about the subject to say that the return is perfect nonsense, and that it is costing the State a great deal more than 11s. 6d. per ton ; and, in my opinion, we ought to have placed before the House, in

connection with these lime-kilns, just such a balance-sheet as is provided for in this Bill in connection with the State coal-mines, so that we can see whether the State is making a success at the present time of the burning and selling of lime. That is one thing in which the State cannot make an industry succeed at present. Now, I say that all the Premier said with regard to the cost of production is assumption, and can be only assumption. What he ought to have shown the House was that there are facilities by which the State can mine for coal at a cheaper rate than a private mine-owner can do. He has not shown that. He has not shown the House nor the country that the owner of any private coal-mine at the present time is making a huge profit out of his business. Mr. SEDDON .- They are not meeting the demand. Mr. J. ALLEN .- Is that the only argument ? Mr. SEDDON .- That is one. Mr. J. ALLEN .- The Premier had another argument, which he brought forward very forcibly, and appealed to the poor, who, he said, could not get coal at a sufficiently cheap rate. Now he wants to back down upon that. Let me keep him to it. He has to show that the State has facilities for winning coal and for . selling it at a cheaper rate than the private owner. I say that the private owners at the present time have been making no profit to speak of out of their coal-mines. I think there are only three coal-mines in New Zealand, so far as I know, that have made any profit at all. The Kaitangata Coal mine has made a protit, the Westport Coal-mine has made a profit, and one of the coal-mines in the North has made & profit ; but, so far as I know, those are the only three, and I know instance after in- stance in which, instead of a profit being made, there has been every year a loss. I know in- stances where those interested in the coal-mine industry to-day would be only too glad to get out of it if they could, but they are in and can- not; that is the fact. Now, the Premier, I say, ought to show that the State could mine ·coal cheaper than a private individual, and in that they have facilities for working cheaper ; and, secondly-and I think this is the great point of all - that they have facilities for cheaper and better management than private individuals or companies have. So far as my experience goes-and not only my per- sonal experience, but my reading on the sub- ject-I do not know of any instance at all, either here or elsewhere, in which the State has ever managed a concern at a cheaper rate Where a private than a private company. company is working good ground the State has never been able to work at as cheap a rate, be- cause of the direct personal interest of the private individual or company in the manage- ment. I say that that direct personal interest can never be had by the State. You have not watching over the management and working of a State concern those with a direct personal interest. In the case of a private company the owner is always looking after his interests to the best of his ability, whereas the State is not able to do so. So that, in these two particular in- stances, I say the Premier is not able to show us that he will be able to produce coal at a cheaper rate than private individuals. What was the other argument ? The argument he started with was that the private owner was not supplying the demand. Now, where does the demand come from? Does it not come very largely from outside the colony ? An Hon. MEMBER. - Hear, hear. Mr. J. ALLEN. - And the Premier desires that this demand from outside the colony should be met. Well, Sir, I am not at all sure that that is a very wise policy. It is not the policy that is adopted by the Home country. On the contrary, the Home Government this very last year has put an export duty upon coal. And why? Because they would not. if they could help it, supply to outsiders what they need so much for themselves. I do not think, with the supply of coal we know to exist in New Zealand, that it is a wise policy to en- courage a large export trade in coal. The Pre- mier has talked of the immense areas of coal we have in New Zealand. We had a report not so very long ago about the immense areas of coal on the West Coast of New Zealand, and they do not turn out to be so immense as the Premier imagines ; and I venture to say, with the faults that occur, if sufficient investigation is made into these coal deposits they would prove not to be so immense as the Premier has attempted to lead the House to believe. And then, with regard to the coal deposits in the South, although they are large, they are enormously faulty, they are very dangerous to work, and very costly to work, and they are not profitable except when worked on a very, very large scale ; and I do not think, in many

instances, that the quality is as good as the Premier thinks, or as a great many people think. Therefore the supplies that may be expected from them will not nearly be as much as the House was led to believe. Now, Sir, the Premier has said that, without rhyme or reason, the proprietors have raised the price of coal. Well, I can only speak in this case, at any rate,

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rhyme or reason that some have raised the price of coal. In the first place, they were not making a profit. Mr. SEDDON .- I was not referring to the South. I referred to the West Coast. Mr. J. ALLEN .- The honourable gentleman made a general reference ; and I will give a specific instance about which I know. I say in this specific instance, and I know the same applies in several other cases in the South, the mine-owners were making no profit out of the coal. The Arbitration Court made cer- tain awards which did raise the price of hewirg, and, partly on account of that in- crease in the price of hewing and hauling of the coal, the price was raised to the private con- sumer, so that in that instance what the Premier has said is not correct. Now, with regard to this new departure, it is proposed to enter into a State coal-mine, and this Bill proposes that there shall be a capital of £150,000. That money will have to be borrowed. At the present time it is unwise, I think -- I do not use this as a general argument : it is an argument just for the moment-to enter into any industry which com- pels us to go into the market to borrow any more money for our own State purposes. We have already such huge demands to make upon outside capital for our public and other works which are already necessitated that I think it is un- wise for us to put another loan Bill-for this is another loan Bill-upon our statute-book. The Premier said that this capital is more than will be required-that the mine that has been re- ported upon can be opened up on a very much smaller capital than is mentioned here. I do not know upon what grounds he says so; but my experience is this : that if the mine is to put out 100,000 tons of coal a year, and that is the State demand, it will require very nearly if not the whole of the £150,000 of capital that is asked for. The Premier cannot open a mine and provide places for men and machinery to turn out 100,000 tons of coal a year at anything like the capital that he hinted at, even though the mine chosen has a shaft constructed, or even though he only requires to open it up. I know something about that, at any rate, and I feel certain that the capital he will require is very much more than he hinted to the House. Now, Sir, I do not intend to lay particular stress upon other points which may be argued-points of patronage that will be placed in the hands of the Government. I leave that for others to speak about, but it is obvious that this gives to the Government an extended means of patronage. The Bill does not provide, although the Premier says he will provide for it later on, that the workmen who are winning this coal shall come under the Conciliation and Arbitration Act. I understand him to say that when the Bill does go into Committee, he is willing that the Arbitration Act shall be made to apply. Mr. SEDDON .- Within certain limits. Mr. J. ALLEN .- The Premier said nothing about certain limits ; there was not a word said about certain limits. Mr. J. Allen upon that ? Mr. J. ALLEN .- I say nothing was said about limits. Mr. SEDDON .- I will leave it at that, and I hope you will apologize when I prove you are wrong. Mr. J. ALLEN .- I do not know what you may put in Hansard. Mr. SEDDON .- I will show you my proof. Mr. J. ALLEN .- I never heard, at any rate, anything about certain limits. The Premier is backing down now. Mr. SEDDON .- I said so; and there is no backing down. Mr. J. ALLEN .- No; you did not-io my The honourable knowledge, at any rate. gentleman now says that he said so with certain limitations. Why should there be any limitations ? Why should not the State be treated exactly the same as the private owner in regard to labour in a mine ? If a private owner has the wages of his men arranged by the Arbitration Court, and the State coal-mine is to come into competition with him, why should not their wages also be fixed by the Arbitration Court? I cannot understand what limitations the honourable gentleman can have in his mind. There are one or two points in the Bill which should be considered. In the first place, clause 3 is a curious clause, as it imposes an impossibility upon the Land Boards, providing that before disposing of land they have to ascertain whether the land contains coal. How are

they going to ascertain that ? Are they going to ascertain with something in the nature of a divining-rod ? Mr. SEDDON .- No; with boring-rods. Mr. J. ALLEN .- Are you going to authorise them to bore 1,000 ft. for every piece of land they sell. Mr. SEDDON .- They might only want to bore 20 ft. Mr. J. ALLEN .- They might want to bore 2,000 ft. At any rate, this clause is absurd, because, except under unusual conditions, the Board cannot ascertain whether there is coal. In regard to subsection (3) of clause 6, I do not think the members of the House have gathered from the Premier what he intends to do in regard to the State coal-mine. He has made it clear that he intends to supply State require- ments, which he estimates at about 100,000 tons a year. Then he touched gingerly on the question of private supply. First of all, he said that he was not going to enter into competi- tion, but then, warming up to the subject, and talking about the poor man in his usual style, he spoke about what an injury it was to him to be paying £1 5s. a ton. Mr. SEDDON .- I said, £1 8s., and as high as £2 8s. Mr. J. ALLEN .- The honourable gentleman said they were going to sell and supply coal in the chief centres. The provisions of 10.30. the Bill are that the State is to deliver the coal.

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the Bill ? Mr. J. ALLEN. - No, not the wheelbarrows ; but the State is to deliver the coal, and is to enter into competition with the coal merchants in the various centres where the State esta- blishes the coal depots. And how they are to deliver the coal and carry on this small business with barrows and drays and so on I do not know. I presume it is to be a cash business. An Hon. MEMBER .- How does the State deliver parcels from the railway now ? Mr. J. ALLEN .- By contract. An Hon. MEMBER. - Cannot they do the same with this ? Mr. J. ALLEN .-- No, I do not see how they But I want to know whether this is to can. be a cash business. Clause 8, subclause (1), states,- " The Minister shall lay before each House of the General Assembly full particulars of such resumption or contract; and, unless within ten days thereafter a resolution disapproving of the same is passed by either House, the same shall be deemed to be approved by Parliament." I object to the method by which Parliament is to be consulted on this matter, because I can easily conceive that Parliament might not be consulted at all. How is the resolution to be brought up? Supposing a member wishes to move a resolution disapproving of the resump- tion of a certain area, how is that resolution to come up for consideration unless the Govern- ment give special facilities? It should have been provided for in another way. Parliament should pass a resolution before the resumption of the area of land could take place. In clause 9 power is given to raise £150,000 ; but in this Bill there are no particulars given as to the rais. ing of the money or the interest to be charged, and no time is specified for the currency of the debentures. The debentures which are referred to later on are not the debentures which are to secure this money at all. Those debentures are only the debentures which are to be given the proprietors of the area resumed, if they think fit to take them. Nothing is said as to the rate of interest, or as to the currency of the debentures on which the £150,000 is to be raised under clause 9. Then, Sir, I wish to refer to clause 15-that is, the question of the sinking fund. This Bill provides that after the net surplus profits, if there is anything remaining, it is to be utilised for a sinking fund, and pro vision is made in clause 15 that that sinking fund shall not be more than 5 per cent. ; and if it is more than 5 per cent., then the price of coal is to be reduced. This, also, is put in the Bill in a peculiar fashion, for there is no pro- vision in the Bill for raising the price of coal if there is a loss, and there is no provision in the Bill for raising the price of coal if the sinking fund does not come up to 5 per cent .; and knowing, as I do, and as some other members in the House do, what the coal-mining industry is, I hold that, as your capital is being worked away each year, it is absolutely necessary, if the State is to carry on in a financial way, to make provision for an ade- in a certain number of years, because the coal goes, and in a certain number of years nothing will be left, the mine must be abandoned, and provision must be made for your capital being replaced by the sinking fund. In this Bill it is assumed there are to be profits, and that they will amount to 5 per cent. ; and it also says if they amount to over 5 per cent. the price may be reduced.

But there is nothing to face the other side of the question-that is, the possible loss, and the amount of sinking fund not being provided up to 5 per cent. In my opinion, 5 per cent. is not enough if the sink- ing fund is to replace the loss of capital. But, even if 5 per cent. is enough, there is no provision in the Bill for that 5 per cent., except under certain conditions. In this respect it is doing that which is very harsh and injurious to the interests of the colony. In conclusion, I wish to point honourable members to this fact : that this is quite a new departure. It is assumed-I do not think that it will follow-that it will be in the interests of the State itself, and of the consumers of coal. I say that time alone can prove that, if we do establish this experiment ; and I shall be very much sur- prised, assuming the Bill becomes law this session, if in the course of the next six or eight years honourable members will not have bitter experience of the fact that the State cannot produce the coal as cheaply as the right honourable gentleman has assumed it can. I shall be surprised if members find that the State can produce the coal as cheaply as the private owners. This Bill can only be in the interests of a certain portion of the community. Those are the coal-users. An Hon. MEMBER .- Who are not ? Mr. J. ALLEN .- There are lots of people who are not coal-users-the people in the bush districts, for instance; and nearly all the country people, or a great many of them at any rate, are not coal-users, and they have, therefore, no interest in the Bill. Yes, they have an interest in the Bill. They have the interest of having to share in the provision for making up any loss if loss is made. I do not think that is fair to them. They gain no bene- fit if any benefit is to be derived, and if loss is met with they provide their portion of the loss, because that loss will be charged to the Consoli- dated Fund. Therefore, Sir, I think the Bill is one that is entering upon dangerous ground, one which I do not see the need of. Rather would it have been better for the State to have encouraged private ownership of mines, and so have increased the competition among pri- vate owners. Then, possibly, we might have had cheaper coal, though I myself do not believe-except in individual cases, where per- haps a monopoly does exist-that you can get cheaper coal than now, either from the State or any one else. Coal-mines, as far as I know them, are worked on the cheapest lines, and I do not believe that coal can be produced any cheaper than at the present time. I do not know whether it can be conveyed by sea cheaper
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answer. But I know what the difficulties are in distributing coal ; I know what the losses are in conveyance, transport, and shifting, from breakages and so on; I know what the loss is in delivery ; and I know in most instances that coal is now being given to the con- sumer at as cheap a rate as it is possible to be supplied at-that is, with an oppor- tunity of getting anything like a fair return for the capital invested. I do not know of any industry in New Zealand that presents such a spectacle as the coal-mining industry does. Honourable members cannot point to any big profits that have been made by any one mining concern. The largest concern is the Westport Company, and through the whole course of their existence I do not believe they have averaged 5 per cent. ; and is there anybody here prepared to say that in a risky industry like this, where the capital is disappearing every year, that 5 per cent. is anything like a fair return on the capital ? I do not know what the average dividend of the Kaitangata Coal Com- pany has been. It may have been larger than the Westport Coal Company, but the Kai- tangata dividends may need some explanation ; and certainly the Kaitangata Coal-mine now, owing to private money which has been launched into this industry some time ago, has to stand very severe competition, and I doubt very much whether the dividends of the company at present working the Kai- tangata Mine will in the future be anything like what they have been in the past. There- fore I feel certain that, owing to the fact that no large dividends are now being gained by any coal-mining company, and that a great many are earning no dividend at all, coal is being produced as cheaply as it can be, and I am certain that this move has tended to stop the investment of private capital in these con- cerns. The ultimate result must be, if the State comes into competition, that, if the State can compete and sell coal at a cheaper rate than can be done by the private owners, the private owners will have to give in. That means, at any rate, with regard to the

supply, that the State would have to undertake the supply of the whole of the coal of the colony, and, in a risky industry such as this is, I think it is an unwise thing for the State to enter into it. Mr. G. W. RUSSELL (Riccarton). - The speech which has just been delivered must be somewhat interpreted in the light of the state- ment made by the honourable gentleman that he himself is largely interested in an existing coal-mine. An Hon. MEMBER .- Is that a crime ? Mr. G. W. RUSSELL .- It is not a crime, but that position naturally discounts the argu- ments of the honourable gentleman, because, while giving him credit for approaching the subject from a broad point of view, it is impos- sible that any person who is a mine-owner, in discussing a question of this kind, can com- pletely dissociate from himself the conscious- ness that he himself is interested in an under- taking which is more or less threatened by the Mr. J. Allen speeches of the kind we have just listened to which have been the cause of the great strength of the Liberal sentiment in this colony during the last eight or ten years. It is upon speeches of that class that the Liberal party has been built up. We live in an age when public sentiment has changed, and when the State is bound to steadily absorb to itself functions which some ten or fifteen years ago were regarded as the sole right and posses- sion of the private capitalist. In this country the increase of State functions has probably grown more than in any other country in the world ; and such a state of things is absolutely sure to arise out of the condition of things which obtains in New Zealand, where the rail- ways, the telegraphs, the telephones, and & number of other vast public services are owned by the State, as compared with other countries where the same services are in the hands of private capitalists. Sir, I intend to support this Bill, and I congratulato the Government upon having brought it in. I congratulate the Government all the more because this is a pro- posal which I myself have steadily advocated from, I was going to say, the first day I entered Parliament. I have before me Hausard of the 28th June, 1894, exactly one week after I took my seat in this House, and on that date this appears in Hansard : - # " STATE COAL-MINES. "Mr. G. W. RUSSELL asked the Premier, Whether the Government will during the pre- sent session introduce legislation to enable one or more State coal-mines to be opened and worked. "Mr. CADMAN said that, seeing the large num- ber of Bills now on the Order Paper, with several more to follow, he could not hold out any hope of legislation in the direction the honourable gentleman asked for." So that this proposal is at least seven years old, and it has taken the Government seven years to rise to the idea of what was wanted in this direction. In the interview with the Premier reported in Saturday's New Zealand Times-a pen portrait by H. W. S. Myers-at the closing part of it these words occur as being placed in the mouth of the Right Hon. the Premier : " An opportunist I may be, but an opportunist in the more sane sense of the term." Now, that is one of the most important qualities the Premier possesses. He never takes up a ques- tion, such as the State Coal-mines, on his own initiative. He did not take up the old- age pensions. He waits till other men have educated the public mind - familiarised the public with the proposal-and then he, with a large opportunism, enters into their labours and takes possession of the idea, carries it into effect, and takes all the honour and credit. Mr. ATKINSON. - Did he not run the women's suffrage all by himself ? Mr. G. W. RUSSELL. - No; Sir John Hall had something to say about that, before the Right Hon. the Premier touched the question. Now, this is another case. The

there has never been a man connected with politics in this country who could count noses as well as the Premier. He understands ex- actly the trend of public opinion. He allows other men to raise questions of this kind, and then, when the psychical moment comes, he steps forward and gains the credit. This after- noon-I am not allowed to refer to a pre- vious debate, of course; but, I may say the Premier has stated in the House, or he has sneered, shall I say, at every man who has not been able to accomplish things. But the honourable gentleman has been so long in possession of those benches that other men have not had the chance. I venture to say, if there had been an opportunity, and if what I choose to call the advanced section of the Liberal party had been represented upon those benches, the State coal-mine proposal,

instead of being brought down in 1901, would have been brought down five or six years ago. And in exactly the same way the old-age pensions, instead of being introduced in 1898, would have been brought in, at any rate, in 1895, when the. public mind was educated for it. Now, I do not think it is necessary to argue in favour of the principle of the Bill. The prin- ciple is the extension of State functions to coal-mines, in exactly the same way as the State functions have been extended in con- nection with railways, telegraphs, and tele- phones. I listened very carefully to the speech of the honourable member for Bruce, and it appeared to me that he failed to realise the connection there is between cheap coal and the prosperity of the industries of the colony. That appeared to me to be where he failed to realise the position. Now, some years ago I had to do with an inquiry that took place in connection with a dispute be- tween the Railway Commissioners and the Westport Cardiff Coal Company, and, if I remember rightly, in the course of that evi- dence it was stated that the price paid to the miners for winning the coal in the mines on the West Coast varied from 2s. 4d. to 2s. 8d. per ton. Those are the figures, so far as my memory goes. Now, at the very time that those men were being paid from 2s. 4d. to 2s. 8d. for winning the coal, the public at Christchurch were paying from £1 15s. to £2 per ton for the same article, and from the same mine. And that is the position to-day. I do not think that the price paid to the miners has materially increased from what it was in 1895 when that inquiry took place ; but, if so, it is only by one or two pence per ton : and every- body knows what the price of coal is in Wel- lington to-day, and we also know it by bitter experience in the South. The honourable member for Bruce questioned whether there was any necessity for the State to open coal-mines in order to supply the public demands. Why, Sir, is it not a fact that within the last eighteen months or two years the mere fact of one or two steamers taking large supplies of Westport coal raised the price of coal throughout New Zealand ? there was a coal famine in Christchurch and Wellington during the winter of 1900, and that that coal famine was due to the fact that there were exports of coal from the colony which had depleted the market? Under these circumstances, can any one say, seeing that private enterprise has not proved sufficient to supply the local market as well as to meet out- side orders-can any one deny that the time has come when the State should step in and increase the supply of coal to the colony? Coal is an article which regulates the amount of comfort which we possess in our homes, and it is the very basis of almost every important industry throughout New Zealand. Unfortu- nately, water-power in this colony has never been developed as it should have been. I be- lieve that has been caused somewhat by the method of our railway charges, and that, in- stead of our railway system being worked in order to distribute population from our centres, the tendency of the railway system of this colony, as of all other countries, has been to force our population round our large centres. But I believe a time will come when, in con- nection with the railway policy, we shall see the importance of spreading our population out from the centres, and congregating them in new centres where water-power is readily available. That, I believe, is one of the things which will follow. But, as I have said, the coal being the basis upon which all our freezing companies, and all the other large industries of the colony, are built up, it is absolutely necessary, if no other means obtains, that the State should step in and endeavour to lower the price of coal by entering into competition. In the first place, it could do that by supplying its own wants. I think I should be correct if I were to say the consumption of coal for State purposes in New Zealand is probably from 100,000 to 120,000 tons per year ; and, as the railway system of the colony extends, so, of course, the consumption for State purposes will also increase. I do not think it would be desirable that the State should in the first place endeavour to enter the open market. I think if it is able to supply its own wants, so as to leave the whole of the coal which is produced in the private coal-mines of the colony for private consumption and the indus- tries of the colony, that will be as much as can be expected. Now, in connection with this Bill, the honourable member for Bruce said that it was proposed to work these mines by borrowed money ; but I would ask him, Can he point to any privately owned mine where the capitalists behind that concern are

able to work on as low a basis of profit as the State can borrow money for? The State does not need to look for profit on the capital it employs, so long as the capital is reproductive to the extent that the capital itself costs. An Hon. MEMBER .- No sinking fund ? Mr. G. W. RUSSELL .- I shall come to that directly. I quite agree with the honourable member that there should be a sinking fund, and I am going to refer to that in a few moments. Then, the honourable member said
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patronage on behalf of the Government. Well, Sir, I am not afraid of that. I am not speaking now with regard to any particular Government, but on the broad principle, because when the State employs the vast number of men there are on the railways and in connection with other branches of the public service of the colony, surely it does not need to be afraid of employing one or two hundred more men, if necessity arises, for the purpose of opening up our State coal-mines. I agree with the honourable gentleman that the conditions of the miners employed in the State mines should in every way be on an equality with those employed in private mines, and when the Bill is in Committee I shall be prepared to vote that every person employed in connection with these mines shall be brought under the provisions of the same labour laws that apply to those employed by private That is a principle I have mine-owners. always voted for, and one which I shall always support. Now, with regard to the remarks made by the honourable member for Bruce as to the 5-per-cent. limit of profits, I agree with him as to that. I think it would be the height of folly if in any year, because a profit of over 5 per cent. was made, you should immedi- ately reduce the price of coal. I think that any protit that is obtained, bearing in mind the average value of coal, or something slightly under it-I think that any profit that is made above that should be held as a sinking fund, not only for the repayment of the 11.0. £150,000 which it is proposed to bor- row, but also for the purpose of providing against accidents in the mines, and other contingencies of that description. Now, the honourable gentleman remarked that this was going to be of benefit solely to the users of coal, and I think he took up a very weak position when he said that the persons who lived in the bush districts would get no benefit from it. Sir, exactly the same argument might be urged against every mile of railway in this colony being constructed, on the ground that there are certain districts where there are no railways, and, consequently, those persons who live in these districts would be taxed for the purpose of providing interest upon the lines of railway that were made. Mr. MASSEY .- So they will, if the railways make a loss. Mr. G. W. RUSSELL. - Yes ; but I am not prepared to argue that point so far as railways are concerned. I am, as far as I can, trying to speak upon the principle of the Bill, and I think this may be said : that there is no district in the colony which would not receive a benefit from the cheapening of the cost of coal. Mr. J. ALLEN .- You have not proved it will be cheaper ; and that is the whole thing. Mr. G. W. RUSSELL .- I imagine that the honourable gentleman will admit the test of that will be experience, and that there is quite as much reason for saying that the State will be able to cheapen the cost as to say it will not. Mr. G. W. Russell Mr. G. W. RUSSELL .- On that point I am quite prepared to say that, in my opinion, the State can produce coal cheaper than the public are being charged for it now. Now, coming back to this point in regard to the persons who will get the benefit of the State coal-mine being opened: take the back districts, even where they are using timber fuel. Is it not a fact that from these districts very largely come the sheep which are being frozen in our works and sent away : and will not the lessening of the cost of fuel, by which these freezing-works are kept going, be the means of raising the price of these sheep, and be a benefit to these people ? Mr. J. ALLEN .- You are going on the as- sumption that the price of coal is going to be less. Mr. G. W. RUSSELL .- Yes; and I am per- fectly satisfied that when the State coal-mine is in operation we shall be able to buy our coal at from 2s. 6d. to 5s. a ton cheaper than now, and I believe that position, when attained, will be one of the greatest benefits that will have accrued to the people of New Zealand from advanced and progressive legislation. Now, the honourable gentleman also said that capi- tal in connection with the mines was disap- pearing. I do not know in what sense he intended that,

excepting it was that, the coal being taken out of the mine, the mine was gradually approaching a state when it would be of no value as a mine. But, as a matter of fact, we know in a large number of the coal-mines in New Zealand that the land belongs to the people of the colony, and not to the private mine - owners. I admit there may be something in that argument when dealing with a mine that is privately owned ; but that does not apply to cases where & royalty is being paid and mining done on Crown land-which is largely the case with regard to the whole of the West Coast mines. Now, there is one other clause in this Bill upon which I should like to speak. Clause 3 affirms a large principle, which I am pleased to see placed upon legislation in this colony for the first time, and that is, that it is the duty of the Land Boards of the colony to reserve for State purposes those lands upon which it is supposed coal exists. That is a principle which I have fought for for a number of years past, and one of the arguments that I remember in 1894 I used as against the lease in perpetuity, urging that the rights of the State to the minerals should not be allowed to pass away. Members who were in the House at that time would probably remember that the Hon. Mr. Mckenzie argued the point that the State was retaining these leases, but, as a matter of fact, later in the session he brought down a clause which settled the matter effectually, and affirmed that, in connection with the State leases in perpetuity, the ownership of the minerals should entirely remain with the State. I do not propose to go through the objections which may be urged to the Bill. There are some which will probably be discussed in Com-
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of the Bill, which I believe is in the right direc- tion, as tending to lower the price of coal and to do away with monopolies such as exist in connection with the West Coast coal-mines in this colony, from which our most valuable sup- plies are produced. Mr. MILLAR (Dunedin City) .- In the first place, I should like to say that I strongly sup- port the principles of the Bill, but there are one or two matters over which I am exercised. In the first place, before we are committed to this, I should like to have had the report of the Commission set up to inquire into the acquisi- tion of properties; then we should have had something to go upon. In the second place, I should like the assurance of the Premier that no arrangement has been made for the acquisi- tion of any property. These are two important points, because if any such thing is being done it is unfair to the House and to the people to ask us to go into a coal-mine before we know the particulars and details. The whole suc- cess of the scheme depends upon the property taken up. For instance, it is admitted that the Cardiff Mine is crushed and soft. The Premier knows, and no man knows better than Mr. Gordon, the late Chief Inspector, that there is a vast area of coal - bearing land at the back of the Westport Com- pany's mine; and the honourable gentleman knows where there is a mine at the back of Ngakawau. An English company had it, but they had not sufficient capital. It is better to go into a known part than to experiment in the Cardiff Mine, where it is known to be broken and crushed. I quite agree that, taking the coal-mines of the colony as a whole, they have not paid. But what has been the fault ? There is only one district practically where coal- mining is carried on to any great extent, and that is the West Coast. What has been the cause of the failure of those mines but want of capital. The only company which has had sufficient capital to develop the mine has paid handsomely-that is the Westport Coal Com- pany. An Hon. MEMBER .- What do you call paying handsomely ? Mr. MILLAR .- The Westport Coal Company since 1882 up to the present time has paid 42 per cent. An Hon. MEMBER .- Do you call that paying handsomely ? Mr. MILLAR .- No; but perhaps the honour- able member does not know that, in addition to the 4} per cent. from 1882, that company has, out of profits made from the Coalbrookdale Mine, opened up the mine at Granity Creek. If that had been added to the dividends, what dividends would that company have paid ? They have paid dividends at the rate of 4} per cent., plus opening and developing the best coal- mine of the colony at the present time. If the honourable gentleman takes the balance-sheets of the Westport Coal Company he will find that from £3,000 to $4,000 has been expended in the development of the coal-mine at Granity Creek, and that was paid out

of working-expenses. Westport Coal Company : 1887, 2} per cent. ; 1888, 5 per cent. ; 1889, 6 per cent .; 1890, nil ; 1891, 72 per cent. ; 1892, 7} per cent .; 1893, 7 per cent. ; 1894, 6 per cent. ; 1895, 6 per cent .; 1896, 6 per cent .; 1897, 6} per cent. ; 1898, 7 per cent .; 1899, 72 per cent .; 1900, 8 per cent. So that the honourable gentleman sees that the 44 per cent. comes from 1882, and not of late years at all. Mr. J. ALLEN .- I did not say of late years. Mr. MILLAR .- I do not think that there very great danger in connection with is coal-mine, provided sufficient capital is a forthcoming, and provided that it is really a good property ; but, unless those two con- ditions are fulfilled, then I certainly think it is a dangerous undertaking to go into. The stumbling-block, to my mind, is where the money is to come from to open our coal-mines. With all the expenditure which is going on, I think it is very doubtful if we shall be able to afford the money this year. Whilst I am as anxious as any man in this country to see a State coal-mine opened, I would certainly like to see clearly what we are going into, in order that there may be very little chance of any loss to the colony. The Premier said that a large amount of the cost of coal was due to the steamers, and he said that the boats were unsuitable. The honour- able gentleman knows that when some of these boats were built for the coal trade they were quite as large as could get over the bars, and he must likewise know that they were as large as were then required by the local market, but to-day there are boats running equal to any colliers in any part of the world -- boats carry- ing 2,000 tons-but those boats could never have crossed the bars if the bars had not been deepened, so it is no use the Premier saying I will tell that the steamers are to blame. honourable members where there is an expense which, I think, ought not to exist. I refer to the charge of 2s. 6d. for railway haulage to Westport, a distance of twelve miles. The cost price of coal delivered at the staiths at Westport is 10s. 10d., including the haulage and all working expenses, and, of course, that includes the profits on the sale of the coal. That is what they can land it at. I would not say that that is so large a profit. I think at present the price f.o.b. in Westport is 12s., so that it is not the coal companies who are making exorbitant profits. They are not, when one considers the risk, and that the property is being depleted all the time. And, looking at this from the State's point of view, 1 do not think the State is going to save such a very great deal, because when you look at the con- tract prices you will find that they get their coal at 18s. a ton delivered all over the colony, and when they are working their own mine I do not think it will be much cheaper. They may save 1s. a ton. I do not think the State can save anything, seeing that the Westport Coal Company, under its contract with the Government, is selling at that small profit, and therefore the only profit the Government can

is making, because there is no intermediary. Mr. WILLIS. - Why is there such an enormous difference in the price to the ordinary consumer ? Mr. MILLAR .- That is where the good comes in from establishing a State coal-mine, and it is the consumer who will get the benefit of it. The surest proof of this is that when the Governor's message came down, and it was found to contain a reference to the State coal- mine, the price of coal suddenly dropped in Wellington from £1 12s. to £1 8s. a ton. An Hon. MEMBER .- No. Mr. MILLAR. - It was advertised in the papers the same week. Honourable members can look up the papers and see whether I am right or not. There is evidence that, once the coal-dealers thought the State was going into competition, they reduced the price so as to stifle that competition. An Hon. MEMBER .- There was a great fall in Australia at the same date. Mr. MILLAR .- Why, it was only about two months before that the Westport Coal Com- pany put up the price 2s. a ton. It did not run very long before they brought it down again. They put up the price six months ago, and it came down afterwards. But that is beside the question. As far as the principle of the Bill is concerned, I support the principle ; but I sincerely trust that the Government, if they get the Bill through, will take care that the best property that is available will be secured by them before they start this undertaking. Mr. FISHER (Wellington City) .- I did not intend to make any speech on this Bill, but I could not refrain from congratulating the Go- vernment on the policy of

the Bill, and in their having fulfilled the undertaking given in the Governor's Speech to introduce a Bill this ses- sion for this purpose. I think it is a pity that we have not before us the report of the Com- . mission on the State coal-mine. In the absence of that report members like myself, who under- stand little of the subject, are bound to accept the statement of the Premier that care will be exercised in the selection of the mine. That, of course, must be left entirely to him. But I feel bound also to say that the passing of such a Bill would put an end to the combinations and monopolies which have existed in this country to the detriment of the public in general, and particularly of the poorer classes of the community. I do not think it matters very much who is the originator of the idea of establishing a State coal-mine. Business took me to Westport in the year 1876, and I con- ceived the idea then that it would be an excel- lent proposal. Mr. T. MACKENZIE .- Oh ! Mr. FISHER .- The member for Waibemo again. I am not claiming anything. I thought at the time there were great possibilities in the Mount Rochfort Coal-mines, long before there was a Waimangaroa Railway or a Denniston. I think the benefit to the public cannot be too highly valued. From the time that the Union Company acquired an interest in the West Mr. Millar very considerably against those manufactures which largely use coal, and the interests of the general public. I need not discuss the question at any length. I only wish we had the report of the Coal mines Commission before us. I congratulate the Government for introducing a Bill, and for fulfilling their promise given at an earlier period in the session. Mr. COLLINS (Christchurch City). - The honourable member for Bruce said that this was a new venture. He might have added that it was also an experiment. I am in- clined to regard it in the light of an experi- ment, and I am hopeful that it will turn out in every sense satisfactorily ; but I think the most sanguine member of the House would not say he was quite sure on that point. We are hope- ful. I am glad the Government has decided on this experiment, because I think it is one of the most important matters the Government could undertake. I differ somewhat from the honour- able member for Riccarton, who has drawn a parallel between the action of the Government in regard to a State coal-mine and the Govern- ment as being the sole possessor of the post, telegraph, telephones, and railways. I do not think there is a fair parallel, and, at any rate, I should hope there is not intended to be a parallel. If I thought this was a step in the direction of the Government assuming the sole ownership of the coal mines of the colony, I should oppose the Bill. If that is not the intention, then there can scarcely be a parallel between the Government being the owners of the railways, and post and telegraph systems, and the ownership of a coal-mine chiefly for State purposes. It seems to me that the post and telegraph and railways stand on a totally different footing from the coal-mines of the colony. It is true that coal is an almost uni- versal commodity, but I would hardly like to see the State take upon itself the sole ownership and working of the coal-mines of the colony. Now, Sir, I remember very distinctly the coal famine of 1900, to which the honourable mem- ber for Riccarton referred. I remember how seriously that prejudiced the particular city which I have the honour to represent. That city did not suffer alone, and I am pleased that this experiment is to be tried, if only in the hope that it will prevent the possibility of the recurrence of the difficulties that were en- countered by the consumers of coal a year or so ago. There is one reason, however, why this venture should prove a success. If the State can secure a good working coal-mine the battle is practically fought and won, because the State itself will be the chief customers. I would just like to draw attention to the figures which have been referred to, but not accurately stated, as far as the coal used by the Govern- ment is concerned. The coal used by the Go- vernment on the railways totals 113,772 tons, at a cost of £95,260. The coal used by the various Government departments, including the railways, amounts to no less than 124,717 tons, at a cost to the colony of $106,562. Now, when we remember that the gross output of coal

see that the State can consume one tenth of the total output of the coal of the colony, and that should mean & customer to a State coal- mine which, supposing the selection to be judi- ciously and wisely

made and the working to be economically carried on, would assure it being a success from the start. Now, the question has been raised as to whether the State coal-mine is to come into competition I think it is quite with private owners. likely that for a considerable time to come the State will find its hands fully occupied in providing for its own requirements ; but I do think that even that will have a very happy result in reducing the price to the consumer generally. It must have. But I should say that the Government should not confine itself to supplying its own orders. As has been pointed out by the member for Dunedin City (Mr. Millar), the Government can scarcely supply itself with coal at a cheaper rate than it is at present being supplied-at least, it will be very little cheaper ; and, that being so, it should rather be the object of the Government to supply the private consumer than itself. I am quite willing to admit that by supplying itself it will have the effect of materially reducing the price of coal to the consumers generally. But I do not think the Govern- ment should rest content with simply sup- lying its own requirements, but should aim at supplying coal generally throughout the colony at a reasonable rate. There is another matter I wish to draw attention to: I should have referred to it when speaking of the fact that I would not care to see the Government become the sole proprietor of the coal-mines of the colony. I should regard that as a most dan- #cc-zero gerous experiment; but scientific discoveries, which take place from time to time, and which take place yearly with ever-increasing rapidity, render it highly improbable that coal will continue to occupy the position it now does for many years to come. That fact has to be considered ; and the particular point to which I wish to draw attention is that in this colony we have sources of latent power which ought to become factors of active power, and that very shortly. I suppose the gas companies of the colony will be amongst the largest consumers of coal; and I think it is highly probable that, before many years are over our heads, we shall be using the potential powers that now run in the rivers and streams of the colony-a power that will be used in manufactures, in the lighting of towns, and for purposes of locomotion. That will mean a lesser consumption of coal. I simply instance this as suggesting that, as time rolls on and as these improvements are made, there will be a lessened demand on the con- sumption of coal in the colony. For these reasons I should not like to see the State become the sole owner of the coal-mines. Not but that I hope to see these improvements made. I should like to see them, and I can see what a vast improvement it would make to our cities so far as lighting, manufactures, and these purposes were obtained from rivers and streams, instead of, as at present, depending for these purposes upon the colony's coal sup- ply. Sir, I do not wish to detain the House in discussing the details of the Bill. With other members who have spoken, I congratulate the Government on having brought the Bill down. I would express the same opinion as 11.30. others have expressed - that the matter is one which will require the very greatest care and foresight in carrying out the working de- tails ; and I sincerely hope when the Bill is passed, as I have no doubt it will be, and when a mine has been obtained, all that wisdom can suggest will be exercised in bringing the matter to a successful issue. Mr. ELL (Christchurch City) .- Sir, I cannot refrain from congratulating the Premier on the introduction of this Bill. As he is well aware, it contains an answer to a demand that has been made by the public of New Zealand for a good many years past. The principle of the State establishing a coal-mine for the supply of coal to the community for domestic and for manufacturing purposes is, it seems to me, a very proper function of the State. If we supply cheap firing to our industries, that is tanta- mount to granting them bonuses or mone- tary assistance; and, with regard to the masses of the people, the cheaper you can supply coal to them the better it is for them. It practically increases their earning power, and it adds to the wages of the poor practically. In the Old Country, for some time now, several large local authorities-Manchester is one-have been negotiating for the purchase of coal-mines, to be worked by the municipal authorities, and they were induced to take this into consideration on account of the coal-owners or the dealers in coal raising the price of coal upon the domestic consumer and the consumer of coal for manufacturing purposes. We had an instance of the futility of the State endea- vouring to help the public only last session, when I brought the matter under

the notice of the House by placing a question on the Order Paper, that there was a famine in the City of Christ- church, and that coal was reported to be selling at from £2 8s. to £2 10s. and Westport slack at 1s. 3d. a hundredweight, which is a very high price. And on that occasion the local agent for the Westport Company stated there was a dis- tinct shortage, and that they had no coal to spare for domestic purposes, and hence the prices were increased-that they had to fulfil their contract to the shipping companies, and that was why there was very little left for domestic purposes in the city. This was stated by Mr. Brown, the agent for the Westport Company, on being interviewed by a representa- tive of one of the local papers. Then, it was suggested to me by one of the coal-dealers that the Kaitangata coal might be supplied-that it was very favourably received, and that the public liked it. I mentioned the matter to the Minister for Railways, and he made arrange- ments with the railway authorities to carry coal down to Christchurch at a reduction of 5s. a --

pany to get it reduced they would not do it. It was wisely stipulated by the Minister for Rail- ways that the reduction was only to take place provided the consumer got it. But when the Minister made this offer it was found that the coal company would not dispose of the coal at a reduced rate, so that the public would get the benefit of it. With regard to the mineral de- posits, it seems to me that the Government has no right to sell into the hands of private owners buried wealth, and if a man buys land he has only a right to the surface; but the deposits buried down at great depth below the surface belong to the community, and not to the indivi- dual. It was never contemplated that the sale of land included the gold, the coal, and other deposits that lay below the surface. That be- longs to the community. An Hon. MENBER .- It always does with gold. Mr. ELL .- And it should be so with regard to coal-that should be reserved as public pro- perty. We have this question of interest again cropping up, as we have it in regard to what we have to pay for the purchase of land for settle- ment, and it crops up here again in the way of working this scheme successfully. I notice that in the Bill the Government propose to take power to raise an amount of money through the foreign money-lender, or through any bank or monetary institution. Well, now, the Bank of New Zealand, in connection with the Ad- vances to Settlers Department, have advanced and created credit in favour of the Government to the extent of £230,000, and have charged 4 per cent. interest. Now, if a private bank can do that, it is a solid argument why the State should create credit and pay it to itself. The Bank of New Zealand is practically a State man- aged institution. Most of the important officers of that bank are appointed by the Government. It is nearly all public capital the bank is working on, and if a bank with State appointed officers and practically State capital can create credit in favour of a State department to the extent of #230,000, and charge 4 per cent. for it, I say that is a strong argument why the Government should establish a State bank in the country and create credit in favour of industries of this description, for the purchase of land or for the purchase of a coal-mine. If we had a State bank managed on business lines, in the same way as private banks managed their business, there is no reason why that bank should not advance credit to the extent of $150,000, which is the amount mentioned in the Bill. Sir, I shall always press this matter on, be- cause it seems to me that it is one that should engage our attention as the representatives of the people. We are loading and loading the people of the country with interest, and yet we are not making any common sense move- ment in the direction of ridding the colony of the necessity of going to the private money- lenders, who only create credit in favour of the State. This is a question that undoubtedly cropped up in connection with the purchase of a State coal-mine, because the Government proposed to take power to pay 4 per cent. for Mr. Ell view of the hardening of the money-market we 1 are not likely to get it for less than 3} per cent. I hope honourable members will not stand by and see only two or three of us talking about this matter. It is a question that not only affects the town members, but the country 1 members-the question of the State establish- ing a State bank, and of that bank creating credit in favour of the Government. The honourable member for Kaiapoi laughs. Mr.

BUDDO .- What has that got to do with a State coal-mine ? Mr. ELL .- It has a great deal to do with the coal-mine. The Government propose to raise \------- £150,000 at 4 per cent., and if we could raise that money from a State banking institution, instead of going to a private banking institution for it, and get credit for that amount at a lower rate of interest, it would help to make the ven- ture a success. So I say it has a great deal to do with this question. Now, the Premier prac- tically appoints four or five officers to the Bank of New Zealand. \- - Mr SEDDON .- What on earth has that to do with a coal-mine ? Mr. ELL .- I say it has a good deal to do with it. Let me put this question to the Pre- mier : The Bank of New Zealand, with four or five officers appointed by himself, has practi- cally two millions of capital belonging to the people. It is practically managed by directors appointed by the Government. Now, the Go- vernment go to the directors appointed in an institution like that and ask for a loan of £150,000 to purchase a coal-mine, and are charged 4 per cent. I ask, Is that not a connec- 1 tion ? I say, if that bank was purely a State : bank, instead of what it is now, the Premier 1 could go and get the money at a lower rate of interest than what he is likely to get it at from What did the a private trading institution. Premier tell us this session ? That he went to the Bank of New Zealand- Mr. DEPUTY-SPEAKER .- A past debate must not be alluded to. Mr. ELL .- I am not referring to any parti- cular debate ; I am alluding to a general state- ment. Mr. DEPUTY-SPEAKER .- That is not in order. Mr. ELL .- Then, I will refer to the fact that in the Budget of the 1889 session the Premier states that he has gone to private banks, and 1 the banks have cashed his Treasury bills, and that the colony has paid for the cash received for these Treasury bills £210,000 in interest I suggest that if the banks can create credit in favour of the Government to such & large extent, and the Government have paid £210,000, there is a connection here, showing that if we had a State bank the State bank could do the same thing and save the country the interest. Mr. SEDDON .- You are killing the State bank. Mr. ELL .- I am not killing it at all. It is only by pegging away at these questions that anything can be done.

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Mr. ELL .- Well, I intend to peg away at this question until more attention is paid to it. Mr. SEDDON (Premier) .- I am delighted, Sir, to have an opportunity to reply. The debate upon the second reading of the Bill has been interesting. We have had only one speech against the Bill, and that was somewhat half-hearted, and it was more in the way of a warn- ing than a statement that the principle was bad. I cannot believe, myself, that there is any member in the House who really believes that there is any danger whatever in Parliament agreeing to what is proposed in this Bill. Mr. MASSEY .- A good many of them. Mr. SEDDON .- Well, I want to show that it is no new thing at all. I am going to demon- strate unmistakably to the House that we have gone back instead of going ahead in respect to this question. Members are evidently not aware of the existing law; they are evidently not aware of what has taken place in this House in the past. If they were we should not have had what has been stated in the debate this evening. I must, in justice to those who took part in the past, expose the attempt of the honourable member for Riccarton to claim the patent rights over a State Coal-mines Bill. He has said this on more than one occasion, and, I believe, has written it. He referred to his having brought the matter before the House in 1894. I ask the honourable gentleman to turn to Hansard for July, 1891, and he will find that the member for Westland (Mr. Seddon), speaking on the Coal-mines Bill, used these words : - " As to the principle laid down that coal-mine owners should supply our railways when coal is the motive-power of the colony, and refusal to supply coal might be the means of stopping the traffic and of throwing hundreds out of employment, and where the coal-mines are really State property and simply under lease, we are not going beyond our right in section 17, with the safeguards therein noted. I may say, further, as regards the regulations, they are made in accordance with what has been sub- mitted to the conference of mining experts which has been held. The amendments neces- sary are therein included. I may say, so far as we are concerned, these amendments were submitted to the Committee last year and carefully gone

through, and were passed with the approval of my honourable friend and pre- decessor, and are simply included in this amend- ing Bill. I hope, under these circumstances, and seeing that the Bill is to go before the Committee of which my predecessor is a mem- ber, with a view of facilitating the business, and of gettingl the Bill into practical hands to deal with, the second reading will now be agreed to." Section 60 of the Act of 1891 is as follows : - "The Governor, in the name and on behalf of Her Majesty,- " (1.) May contract with the owner or lessee of any coal-mine situate on private or Native lands for the acquisition of such lands and mine on such terms able ; or "(2.) May contract with the lessee or lessees of any coal-mine situate on Crown lands for the purchase of their respec- tive interests therein, and the cancel- lation of the lease, on paying such compensation for the same, includ- ing value of goodwill, if any, as may be determined under 'The Public Works Act, 1882 :' "Provided that resumption and acquisition under this and the preceding section shall not be complete nor take effect until a resolution of the Legislative Council and the House of Representatives shall have been passed sanc- tioning the same. " Any land so resumed or acquired may be worked by the Minister on behalf of Her Majesty unless the Legislative Council and the House of Representatives shall by resolu- tion otherwise determine." Mr. G. W. RUSSELL .- Did you pass that clause ? Mr. SEDDON .- Yes, and I will tell you more presently. I ask the honourable member to listen to these remarks from Hansard of the 25th August to the 22nd September, 1891 :- "It is a fact well known to me-and I can place proof of it upon that table-that one-half of the shareholders in our coal-mines are not New-Zealanders at all. They have large in- terests in mines in other countries, and that means that the interests of those mines are diametrically opposed to the interests of New Zealand mines. If the shareholders in New Zealand mines also held interests in Newcastle mines, it can be easily understood how they would send Newcastle coal over here to the detriment of the working of our mines. Then, again, if we take into consideration the fact that no country is safe where the motive-power of the country is held by a foreign Power, we must feel the necessity for such powers as we take in this Bill. In this case, with this Bill in force, if these foreign owners should block up our motive-power, the State will have power to resume the mines, giving the owners fair compensation for it, and giving the people of the colony their just right to the motive- power." But, Sir, let the honourable member take the law of New Zealand, and I tell the House now that I can to-morrow purchase and work a coal-mine-I can to-morrow work & coal-mine. If members will look at section 60 they will find this :- "May contract with the lessee or lessees of any coal-mine situate on Crown lands for the purchase of their respective interests therein, and the cancellation of the lease, on paying such compensation for the same, including value of goodwill, if any, as may be determined under ' The Public Works Act, 1882 ' : "Provided that resumption and acquisition under this and the preceding section shall not be complete or take effect until a resolution of the Legislative Council and the House of Repre-

the same. " Any land so resumed or acquired may be worked by the Minister on behalf of Her Majesty unless the Legislative Council and the House of Representatives shall by resolution otherwise determine." This is from the Coal-mines Act of 1891. And then, after I have placed upon the statute- book of the colony a law providing power for the State to acquire and work a coal-mine, the honourable gentleman coolly attempts in this House and on the public platform to take credit for having been the moving spirit in this matter; and to call me an opportunist, and to say that I am working from other people's brains in bringing this Bill before the House, after I had actually placed it on the statute- book four years before the honourable member came into the House. In 1881, in Sir George Grey's Bill, sketching the extended functions of the State, I believe, amongst the provisions in that measure was one for the working of a State coal-mine, and if the honourable member will look at my speech in the debate on that Bill he will see that, as far back as from 1879 and 1881-it was during those years that the Bill was introduced-that I said the same in reference to that measure as I said in 1891, and as I said in introducing this Bill. I have

always held that there is a danger if our coal-mines are owned outside the colony. I think it is a necessary safeguard to have the right to resume mines at any time for State purposes, and also to have the right to work them. Sir George Grey, speaking on the Coal-mines Bill of 1891, said,- "I wish to make a few remarks on this Bill. One is, that in Committee I shall try to get put in in precise words that the Government shall not only be authorised to work any of these mines, but, in the event of working the mines, they shall work them on co-operative principles with the workmen ; because this is one of the most dangerous pursuits in the world, and one in which loss of life and limb is of frequent occurrence." That was in July, 1891. And then, because the honourable member and a few others during the last few years have advocated State coal-mines, they are oblivious altogether of the past. But I want to be just, and I want to show that the honourable member is abso- lutely oblivious of what has gone before. have here the dropped Bills of 1892, and what do I find ? I find the Bill headed "Coal- mines Acquisition and Resumption." Clause 4 of that Bill provides that the Government may undertake the working of coal - mines. Power is given to resume land ; compensa- tion is to be paid, and then provision is made for laying the returns before Parliament, just as is provided for in this Bill. I might call honourable members' attention to this clause 13 :- "13. The Minister may from time to time, on behalf of the Queen, cause any coal-mine purchased, acquired, or resumed under this Act to be worked in such manner and at Mr. Seddon that purpose may carry on such works, erect such buildings, and procure, use, and replace when necessary all such plant as shall be required for that purpose; and all coal won or gotten from any such mine shall, in the first place, be used or supplied for the purposes of Her Majesty's Naval forces or of the Govern- ment of the colony ; and, in the second place, shall be sold and disposed of at such rates as may be thought reasonable to the owners or lessees of railways, steamships, factories, work- shops, and to any person for manufacturing or domestic purposes." That is clause 13 of a Bill introduced in 1892, and that Bill was introduced by William McLean, member for Wellington. I was astounded, Sir, that the honourable mem- ber did not know that. An Hon. MEMBER .- What have you done under it ? Mr. SEDDON .- What have we done? That is not the question. The honourable member for Riccarton is now shifting his ground. He tried to make out to the country, and he has said from time to time, that the Premier had no constructive ability. He said it again to-night. He mentioned the old-age pensions, and said the Premier had taken no action in the matter. Old-age pensions were mooted when I was a boy. But what I can claim is this-namely, to have put into practical shape, and to have carried through Parliament and put on our statute-book, useful measures which people have talked of, but to which they had not been able to give practical form. That is the credit I can fairly claim. The honourable member talked about the advances to settlers. I do not care who gets the credit. All I care about is that progress is made to improve the condition of the people, and give them opportunities which have hitherto been denied them. I point to the election of 1893, and I look back with pride to the speech I delivered at Foxton- that famous Foxton speech-in which I first sketched the advances to settlers and cheap money for the farmers. Just think of all the sneers and the ridicule that was cast on me and on the proposal then! And when I made the second speech on the same subject at Feilding I was ridiculed as a dreamer, as a man who was trying to deceive the country; that it was never intended to become law ; I that it was only done for the purpose of carry- ing the elections, and that I was bribing and corrupting the settlers of New Zealand. Those and other terms were applied, and for pro- pounding cheap money for the settlers I was called a social devil. Now, every one admits the advances to settlers as being a great boon. I look back with pleasure on what transpired, and time has proved I was right, and the mort- gagees' yoke was broken. It has been placed on the statute-book, and it has done a great deal of good, and to the people who stood by the Government credit should be given. I give credit to my colleague, Sir J. G. Ward, and also to the members of Parliament who passed it. And, then, the Mines Act of 1891. I only

form Bills for the good of the people, and carrying the same through the Legislature, and being instrumental in convincing the majority of members that it was good they should pass into law. The honourable mem- ber gave me an opening to-night. He must admit now that he had forgotten, or probably he had not taken notice of, what had gone before, and when he coolly stands up to-night and tells the House I am simply an opportunist, that I am dealing with this ques- tion for the first time after other people had educated the public mind for it, and when he says the Premier only steps in because he knows it is the right time, I simply say there must have been some education of the public mind on this question prior to 1891, because it is there in the statute-book. I could take a coal- mine to-morrow under the Public Works Act ; the only thing is I might have a resolution of the House in which they might say, " You shall not work it." It is put in the 12.0. negative position. An Hon. MEMBER .- Why was that put in ? Mr. SEDDON. - It was put in because there were men in the House then of the same stamp as there are to-night-men who are afraid, and because they were afraid to go ahead they put, as they called it, a brake on the Premier. Mr. MASSEY .- Does the Act of 1891 give you authority for raising money ? Mr. SEDDON .- Yes; under the Public Works Act I can take any coal-mine in the colony I like. An Hon. MEMBER .- Where will you get the money ? Mr. SEDDON .- In the same way as we got it for the Cheviot Estate. We had no money for that, yet we gave #260,000 for it. Money ! why, we will get the money right enough. I wish to say this : We are told that there is no provision made to recoup the capital. 1 say there is provision made here- necessary provi- sion, because every ton of coal that is taken out of the mine reduces the capital value. Then, we are told that there are no companies making money in New Zealand. The Westport Coal Company have made a large amount of money. Money has gone to capital account to an extent of over £100,000, and, while they have averaged 5 per cent. in dividends, they have used £100,000 for the improvements of their properties. Then, the Kaitangata Mine was sold out the other day, and a clear profit was made as between the original owners and the present company of, I believe, $90,000. Yet the honourable member for Bruce talks to us about no profits being made by these mines. I say they have made profits in the past, and they are making profits now. Coming to the ques- tion as to the application of the Conciliation and Arbitration Act to the coal-miners, I say the same as I said the other night- you must take care not to place in the hands of respon. sible persons the right of taxing the Govern- ment. You must have some safeguard, or otherwise you will be creating a grave breach of our Constitution. In saying that I was willing coal-miners I used the expression "within certain limits," and the honourable member for Bruce will ultimately have to apolo- gize for making the statement that the did. The honourable member for Dunedin City (Mr. Millar) asked me this question : " Has any pri- vate arrangement been made for taking up a coal-mine ? " My answer is, emphatically, No. Although there is the power to have done that under the existing law, I have not done so, nor would I negotiate until I had the full power given me by Parliament. I say that I could, under the Public Works Act, and also under the Mines Act of 1891, do that, but then I should immediately have to submit resolutions to the House and Council, and I prefer to get full and extended powers, which are provided by this Bill. An Hon. MEMBER. - State bank. Mr. SEDDON .- You are not going to draw me off coal. I am not going to have a printing-press, bale of paper, and greenbacks. That is what the honourable member for Christchurch City wishes me to do. I desire, Sir, to say again to the member for Dunedin City that, in regard to the Cardiff Mine, that is now the pro- perty of the Government. We will have to re- sume occupation of it, because the company have thrown it up, and the company owe us money. The plant is complete, and the report of the Commissioners appointed is that by the expen- diture of £12,000 to £14,000 we can get to the Cave area. There is a million tons of coal in sight, but since that report an opinion has been expressed that there are really two million tons, but they recommend some prospecting before finally going to the expenditure of $10,000. That is the position as far as the Cardiff Mine is concerned. The Government have been to no expense about it, except to the extent of £1,000. In regard to the site for a State coal-mine, I may say the

report that has come to hand is of a favourable character ; but there are complica. tions in connection with it, as the properties are still held by defaulting companies. There are matters that preclude me from saying anything further on the point at present, and it is owing to that fact I have not seen my way hitherto to lay the report on the table. However, when these difficulties are over- come the report will be presented to the House. Of course, members naturally ask that the Government should be careful in this matter. I admit there is a grave responsibility in the departure, and if it meant that we were to work all the coal-mines of the colony I have no doubt there are some members who would op- pose it. However, members may rest assured we will make no mistake. Before a mine is touched it would be well to get the opinion of three or four experts to say where the railway should be placed, where the tunnels should be commenced, and where the coal should be laid. The start that has been given to many a coal- mine in the colony has often been such as to lead to failure. My own experience teaches me what should be done, and if there is the slightest chance of disappointment or failure
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cess means everything in reference to the experiments, - than take any risk, and there- fore members may rest assured the Govern- ment will be very careful in respect to the whole matter. I feel sure the matter will turn out in the best interests of the State, and in the best interests of the consumers of coal in the colony. The consumers of coal and the householders are paying an unfair and an un- reasonable price for coal at the present time, and they have done so for years, and, as out- side demands continue to grow, the only way to meet the increasing demand is to open a State coal-mine. Under the Coal-mines Act of 1891 these three principles were laid down : For the first time in any mine we fixed forty- eight hours for the week's work. That was the first law that fixed forty-eight hours as a week's work. Again, we fixed that }d. per ton should be taken from every ton taken from the mine and given to the Accident Fund of the men working in the mine-the first time such a principle was affirmed, and it has been a great benefit to the men. Again, we fixed that the State should have the power to take and work a coal-mine. Now, I would have allowed those facts to be buried in oblivion as far as I am concerned. I believe that at the proper time some little credit will be given to the Government of which I have been a mem- ber for what we have done in respect to these matters ; but when a member deliberately tells the House that one is an opportunist, and when that member claims to have himself first mooted the question of a State coal-mine in the House, and that in the face of the measures that have been introduced and, in the face of the Hansard records, I say it is only justice to Mr. William McLean and Sir George Grey, leaving myself out of the question altogether, that I should have mentioned these facts. Sir, I move the second reading of the Bill, and I trust it will be placed on the statute-book. Mr. G. W. RUSSELL (Riccarton) .- In con- nection with the remarks of the Premier, I wish. as a personal explanation, to draw attention to the fact that he himself was the member of the House who moved the clause which limited the operation of clause 60 of the Coal-mines Act. On page 364 of the Journals of 1894, when a Coal-mines Bill-clause 60-was in Committee, I find this :- " Another amendment proposed : After line 10, to insert the following proviso: 'Pro- vided that resumption and acquisition under this and the preceding section shall not be complete nor take effect until a resolution of the House of Representatives shall have been passed sanctioning the same.' - (Hon. Mr. Seddon.)" So that the honourable gentleman himself moved the proviso of which he has complained as limiting the influence of the clause. Now, the honourable gentleman says I charged him with being an opportunist. All I did was to quote the following passage from an interview published in the New Zealand Times of Satur- Mr. Seddon to have said : "Opportunist I may be, but an opportunist in the more sane sense of the term." Mr. ELL (Christchurch City) .- As a matter of personal explanation, I wish to say I did not mention one word about a bale of printing- paper, or a printing-press, or greenbacks, or any- thing of the sort. The honourable gentleman is not going to score off me in that way. What I said was that, if the Bank of New Zealand could create credit in favour of the Government of New Zealand and

charge the Government 4 per cent. on the amount of that credit, a State bank could do the same and save the country that interest. Bill read a second time. Bill committed, and progress reported. LOCAL BODIES' GOLDFIELDS PUBLIC WORKS AND LOANS BILL. IN COMMITTEE. Clause 2 .- Provisions for public work and for loan. Mr. HERRIES (Bay of Plenty) moved to add the following new subsection : "(4) No loan shall be raised under this Act without a poll of the ratepayers as provided in ' The Local Bodies' Loans Act, 1886."" Amendment negatived, and clause agreed to. Bill reported. On the question, That this Bill be read a third time, Mr. HERRIES (Bay of Plenty) said he had only a few words to say on this Bill. He did not object to it at all, but he wanted to point out that it was altogether altering the system of our northern goldfields. In the South the gold duty had been abolished and gold-mines were rated, while in the North the gold duty had been retained and the mines were exempt from rates. Now, it seemed we were still to keep the gold duty in the North, and yet the mines were to be liable to be rated for special loans. He admitted that there might be good reason for this in connection with Waihi and other towns ; but the Minister of Mines knew that the power could be used for the Thames as well, and that the Thames mines could be rated under this Bill for a special work. He thought it was a good Bill for Waihi, but that it would have a rather more far-reaching effect than the mover intended ; and he thought it might apply in a way the mine-owners in the Thames dis- trict would not like, though, of course, by an addition the honourable member for Ohinemuri had put into subsection (1) of clause 2 the rating value would be very small. Mr. McGOWAN (Minister of Mines) thought the honourable gentleman had overstated the case, and the instance he had given in which it would affect the Thames was without founda- tion. It could not affect that borough, as it had power to raise loans under the ordinary Government Loans to Local Bodies Act, the land being held under freehold tenure. The House had in certain cases aided some of the small goldfields towns in establishing water- works by means of subsidy ; but in the case of Waihi the town was a comparatively large one,

selves, provided their security could be made ac ceptable by law. This town really formed part of the county, and the County Council quite agreed that this particular part of the county should raise a loan for a water supply ; but under the existing law and without the assist- ance of this Bill they were not in a position to do so, the goldfields tenure not being considered sufficient security by those who were prepared to lend money. It was a large town, and was very much in need of a water-supply. Hitherto the inhabitants had been supphed by the Waihi Company from their race. The company had very properly and kindly given the citizens the use of their water, but at any time it might have to be cut off. The Bill was to enable the district to raise a loan for a water-supply for domestic and fire-extinction purposes. Mr. PALMER (Ohinemuri) did not agree with the honourable gentleman who spoke last. The effect of the Bill would be to allow local bodies who were getting goldfields revenue to do what what necessary in the interest of their district. In the case of Waihi there was no power to obtain from the Government the money for the purpose of instituting a water-supply. Any other local authority than one on the goldfields had power to borrow money from the Govern- ment for the purpose of procuring a water- supply, but a goldfields local authority had no such power. This Act was therefore brought forward to place them all on the same footing. Waibi was in danger of a water famine, and it must have a supply. Waihi was now one of the largest inland towns in New Zealand, and was still rapidly growing. This town was absolutely at the mercy of fire, if any fire took place. The Waihi Company had been good enough to let them use their water, but they had no power to obtain water for themselves without this Bill. As it was now nearly three o'clock in the morning, and members were anxious to get home, and were interrupting him with cries to let the question be put, he would comply with their request, and, however much he would like to continue, he would not keep them longer, but simply thank the House for putting the Bill through. Mr. SEDDON (Premier) said that he had been up at Waihi, and knew the conditions under which these men worked in

the dry- blowing process. There was no part of the colony where water was more required, and in case of fire there was no chance of saving pro- pertv. He considered this was one of the most necessary measures they could pass, and, when the position was such that matters could not proceed without the Bill, it was necessary to ask whether anything could be done, and the County Council impressed upon the Govern- ment the necessity of relieving them of the situation. The Government did so, the neces- sary measure was introduced, and if honourable members knew all the circumstances they would say it was one that was absolutely required. Bill read a third time. The House adjourned at twenty minutes to three o'clock a.m. VOL. CXIX .- 46. Thursday, 24th October, 1901. First Readings-Third Read ne- Sly grog Selling- M ssing Steamer " Mo ovai"-Industrial Con- ciliation and Arbitration Bill. The Hon. the SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READINGS. Cook and other Islands Government Bill, Old-age Pensions Bill, Local Bodies' Goldfields Public Works and Loans Bill. THIRD READING. Fisheries Encouragement Bill. SLY-GROG SELLING. The Hon. Mr. JENNINGS asked the Minis- ter of Education, (1.) Whether the attention of the Government had been called to the fol- lowing portion of the report of the Commis- sioner of the Auckland Main Trunk Railway League, published in the New Zealand Herald of Saturday, 12th October: "The sly-liquor selling seems to have reached an acute stage, and has grown to large dimensions the last few months. The Public Works Department are now carrying all goods from the Poro-o-tarao Tunnel to Ongaruhe, and at first they refused to carry the liquor on, but they found on inquiry that as public carriers they had no option in the matter, and so have to carry it. I have been told that one consignment of sixty cases of spirits has passed through their hands to one man in a single train. How is this for prohibition ? The liquor is said to be of worse quality than in the old days. You will wonder what sly-grog has got to do with the progress of this work. It seems to have a good deal, or else is being made use of to reduce hands. This is where the liquor busi- ness comes in : A good many of the men drink more than is good for them, and, besides the time lost drinking, owing to the quality of the drink they take a long time to recover, and although they may put in time they are not able to do much, and the result is that there is not much money earned "? (2.) Will the Government take immediate steps to ascertain if the allegations made by the Commissioner are correct ? It would be premature for him to say anything further until he ascertained from the Hon. the Minister whether the facts alleged by the Commissioner of the Auckland Main Trunk Railway League were correct. The Hon. Mr. W. C. WALKER said, as far as he could gather, the Department of Public Works and the police authorities had been in- formed that there was a good deal of slv-grog selling going on in this district. The Public Works Department and the police were making every effort to suppress such traffic, and, as far as the Public Works Department was con- cerned the men had been warned that they were doing it at the risk of forfeiting their pre-

sly-grog dealing were sheeted home to them they would be disqualified from further employment. The department, therefore, was doing its best to deal with the question the honourable gentle- man referred to. THE MISSING STEAMER " MONOWAI." The Hon. Colonel PITT begged leave to ask the Hon. the Minister of Education, without notice, Whether, in the event of the steamers " Mokoia" or " Corinna " reaching Hobart without tidings of the steamer " Monowai," the Government would make application through the proper channel for one of His Majesty's warships from New Zealand and one from Tasmania being sent in search of the missing vessel. He did not wish to raise unnecessary alarm in this matter. He under- stood the Union Company were taking very energetic steps to ascertain what had become of the missing vessel, but he thought it was only right that a couple of warships should be sent in search, in the event of the two steamers he had mentioned reaching their destination without tidings of the "Monowai." The Hon. Mr. W. C. WALKER said the honourable gentleman might feel certain that no step would be omitted by the Government to deal with the urgency of the situation. The Government steamer "Tutanckai

"' was already leaving to go down the Coast, and take the first share so far as the search was concerned ; and if it was found necessary to ask the Naval authori- ties to send one or two of their ships on the same errand, the Government would do their duty and see that the request was made through the proper channel. INDUSTRIAL CONCILIATION AND ARBI- TRATION BILL. ADJOURNED DEBATE. The Hon. Mr. JENNINGS .- Sir, I should like to draw the attention of the Council to the return which has just been presented. It is incorrect, in one instance. The return states that in the Auckland District, six cases were settled by the Board-namely, tailors, saddlers, flourmillers, tanners, Hikurangi coalminers, and painters. I know, as a fact, the saddlers' dispute was not settled by the Auckland Board. The recommendations were not accepted, and it was taken before the Arbitration Court. The Hon. Mr. ORMOND. - When I yesterday asked for the post ponement of the consideration of this Bill, I said I wished for time to see the amendments and also the evidence. We have had time since then to look at the amendments in the Bill, and I need not take up more time over them, except to say that I agree that the amendments made are in the right direction. But in regard to the evidence, we are still in the same position as we were yesterday-we have no evidence. I understand the Com- mittee did take evidence on the part of the subject to which I wanted to call attention- the administration of the affairs of the Con- ciliation Board in the District of Wellington. I am told the Chairman of the Board was Hon Mr. W. C. Walker the head of the Department of Labour; but I have no knowledge of what took place, and am unable to say whether the inquiry was of an exhaustive character, as it ought to have been, considering the allegations and statements cur- rent in the City of Wellington during the session on the management of business by that Court. It is quite proper at this stage to say it has been a matter of common report in the City of Wel- lington that the business of the Conciliation Board in Wellington-I cannot speak of other places, because I have not heard of any similar reports as to the proceedings there-but the Conciliation Board in Wellington has been characterized by this very undesirable circum- stance : that some of its members have been persons who have made it their business, have been living practically upon the moneys they derived from the sittings of that Board. I have heard it from numbers of respectable citizens in this town that some of those persons have, to their knowledge, been in the habit of going about fomenting cases outside which they themselves were to hear, that that has been their common practice, and that in that way the Wellington Board has been sitting and has been employed to a very much larger extent than any other Board in the colony. I believe myself that these statements have a good deal of truth in them, and I have them from persons of undoubted repute, and they have been matters of common belief in this City of Wellington. If they are true, they must have reached-as I feel sure they have reached-the ears of the Government, and, in my opinion, they ought to have been the sub- ject of the most careful investigation, so that if there was truth in them the Government might have proposed such alterations in the constitu- tion of these Boards as would have led to an obviation of such scandals in the future. I can conceive nothing worse, if it be true what is commonly reported, that it has been the practice of some of these members-two or three of them, at any rate-to go about while they were hearing cases, fomenting business for themselves to hear as judges, and so keep them- selves in employment. Nothing could be worse than that, and the whole conduct of the Con- ciliation Board of this city, so far as I have heard, has been in entire opposition to what Parliament was led to believe would be the characteristic of these Boards when we agreed to pass this measure. If these reports be true, we have had a most important body in this colony so conducting its busi- ness as to be making up disputes for itself to hear. Could anything be worse ? If there be any truth in these reports-and I sav they are generally believed, and they are looked upon as a common scandal -- the most exhaus- tive inquiry ought to take place into them. I am unable, in the absence of the evidence, to say how far this inquiry has been exhaustive, but it ought to have been of the most searching character, and it ought to have been the busi- ness of the Government to have seen that the evidence was forthcoming to dispose of such

myself, are commonly in circulation in the city. Sir, the return we have here, which is valuable in its way, does not give us any very encouraging view as to the results from the sittings of Conciliation Boards : it does not give us very much information ; but, so far as I can gather in the very brief time we have had to study it, according to the return there have been only twelve cases settled altogether by this body in fifteen months. The information, as I say, is of the most meagre character, and therefore we are discussing this really very important question in the absence of the in- formation we ought to have had to enable us to deal with it properly. I am strongly of opinion that the Board wants remodelling, and I am told that one of the outcomes from the inquiry which the Select Committee has held was that this Board was in the habit of sitting from four to four hours and a half a day-four hours on an average, I am told. There is a pretty pro- ceeding for a Board which the colony pays to do important business at the present time. I have been informed that people have been dragged here and kept waiting while this Board spun out its days of sitting. An Hon. MEMBER .- More days, more pay. The Hon. Mr. ORMOND .- Quite so. I am told that these people have been brought to Wellington, while the members of the Board were spinning out their davs of sitting in order to get more pav. That alone is a matter which should have led the Government to inquire very strictly into the working of this Board, and to have made proposals to Parliament which would have led to a better state of things. The first important step would be to put the Board under proper supervision, and the opinion is becoming general that the Board ought to be under the guidance of a Stipendiary Magistrate. Then we should have some guarantee that there would be uniformity, and that the proceedings would be conducted in such a way as to study the convenience of the persons who are brought here, and not the persons who are paid to hear the cases This printed return which we have here gives very strong support to the statement that the Board here has been studying its own interest and the payments it receives from the colony. What do we find? We find that all over the colony the Conciliation Boards had expended upon them $1.811, and out of that Wellington has absorbed $1,089. Here is pretty conclusive evidence as to what has been done with this money, and that it has gone to pay those gentlemen who have conducted these cases, and who spin them out at the expense of the unfortunate persons who have been dragged here to attend cases, many of which, I have been informed by them, they have had nothing whatever to do with, and when they came before the Court it was found their time had been wasted. Sir, this re- turn shows, further, that the Arbitration Act has cost only $1,659. I am sorry I have not had time to carefully go into the very meagre evidence there is here, and therefore I can- not speak on the question as I should have say that the working of the Conciliation Board, so far as we can judge of it, is not a success, and if it is to be maintained it ought to have its constitution remodelled. For myself, I would much rather see it done away with, and see the Arbitration Court the Court to deal with these matters. I can only say I regret when an important Bill of this kind is being passed-as we are asked to pass it now -. we should have to do so without that information we ought to have to enable us to deal with it properly, and which, I believe, would have justified us in moving, even at this stage in the session, that the constitution of the Court should be sc altered as to put it under proper guidance. The Hon. Mr. RIGG .- Sir, like the honour- able gentleman who has just sat down, I also have a regret, and it is this : that on an im- portant measure like this he did not rise to the occasion and deal with the principles contained in the measure, instead of repeating as his principal argument the gossip of the man in the street as to the statement that the mem- bers of the Wellington Conciliation Board have fomented disputes, which has not one tittle of evidence to support it, but only the gossip of the people in the streets-people who probably for some private reason see fit to pass slanders upon that body whenever they have the oppor- tunity to do so. The measure as it now comes before us contains very important alterations in the law as consolidated last year, and some of the provisions, I am sorry to say, strike at the root of the vital principles of the Act of 1894. It would have been better, I think, had the Bill been confined

to certain simple amend- ments which are required to make the present law effective, and to remedy mistakes made during the process of consolidation ; but I have noticed that in every Bill that comes forward of an amending character some new feature deal- ing with a new principle, or variation of a principle, is introduced ; and the result is that before an important alteration has had time to be pro- perly considered and worked we have launched upon it another amendment and another altera- tion which quite overrides the principle pre- viously introduced. Sir, the original Act was introduced in 1894; it was amended in 1895 ; it was again amended in 1896; it was again amended in 1897; it was further amended in 1898 ; and then it was consolidated and amended in 1900; and, as I have said, many important new principles and extensions of principles in- troduced in those measures have not yet had time to be exploited before we are now called on to pass legislation which, in some respects, goes quite contrary to them, and in some instances waters down very important principles, and so much so as to make them ineffective. I submit that, in dealing with a question like this, we should proceed cautiously, for there is nothing more dangerous than the system we have been going upon for some time past. Not only have important alterations not been properly under- stood by members, but I am prepared to say . they have not been properly considered even

duced into amending Bills in their process through Parliament without the persons who introduced them knowing what their full effect would be; and that I consider a most dangerous proceeding. This Bill as it comes before us now contains some altera- tions in regard to awards, which I consider of a most serious kind, and which I will explain presently. But before coming to them I want to call attention to clause 2 of the Bill, which makes unions registered under the Trade Union Act amenable to the provisions of the Industrial Conciliation and Arbitration Act. In the Act of 1894 trade-unions were bound by the awards made, or could be made parties to a dispute ; but they also had the right to initiate a dispute, and therefore it 'vas optional to a union to register under the Trade Union Act, or, if the members preferred, to be registered under the Industrial Conciliation and Arbi- tration Act. But under the Bill we are no . considering, & trade-union is to be made liable under the terms of an award, while it cannot lodge a dispute or take any part in the ini- tiation. I have not heard any reason why this important departure has been made. In the consolidation Act of 1900 trade-unions were excluded from the provisions of the Industri .l Conciliation and Arbitration law altogether, and I must say that such a pro vision has my approval. I do not know why the alteration was made. It seems to have passed, to some extent, unnoticed through Par- liament ; but I perceive that where you are deal- ing with an Act that is of an experimental character, and the usefulness of which might be wholly destroyed by a biassed President, it is advisable that the trade-unions should, after having fulfilled the terms of the award, have the right to cancel their registration under the Industrial Conciliation and Arbitration Act, and yet preserve the corporate existence under the Trade Union Act. It has been said in the Labour Bills Committee that if this were done it would leave them at liberty to strike if they so desired. Well, that is perfectly true, so long as they were not registered under the Industrial Conciliation and Arbitration Act ; but the fact remains that every trade-union and every worker would still be bound by the award which binds the employer. Now, I do not suppose there is one man in Parliament who knows this fact : that under the law, as it stands at the present time, a non-unionist is bound by the award while working for an employer who is bound by the award. But such is the law. So that, so far as registration under the Trade Union Act is concerned, the members of the trade- unions would be just as much bound as they would be under this Bill. But I hold, on prin- ciple, that if it is desirable they should be brought under the provisions of this Bill they should be restored to the position they were in in 1894. Then, we have a clause which provides that a special Board of Conciliators may be set up on the application of either of the parties to a dispute. Now, in all disputes there is on the one side the industrial union, and there Hon, Mr. Rug plovers, so that there are not two

parties to be considered, as would appear, but a greater number of parties. Under the law, as it stands at present, if all the parties to a dispute agree, they may have a special Board of Conciliators, and that Board is set up in the same manner, and has all the powers of the ordinary Board of Conciliation. Here, however, it is proposed that any one party to a dispute a single employer-may demand a special Board of · onciliators. Now, the experience of trade- unionists in regard to special Boards of Con- ciliators is this: that if they take part in them they are afterwards discharged from their em- ployment, and are boycotted by the employers. This is a question which is disputed by many - not only employers, but others. But, while I am not prepared to put on record the list of names which I have been supplied with, men who have been so boycotted, I will, when the Bill is in Committee, read it to the members of the Committee, and show them that what I am saying is an absolute fact. Well, with that experience to guide us, does any one suppose that trade unionists are going to be foolish enough to take part in any special Boards of Conciliators, and have to put up with the con- sequences ? If they do, I can only say this : they do not really know the feelings of a worker who has been persecuted. But, in any case, I feel sure the result will be this: that the unions will refuse to nominate or elect their representatives to that special Board of Conciliators, and that it must fall through, because the Act of 1900 provides that for these special Boards of Conciliators the repre- sentatives on either side must be experts in the trade Therefore, if the workers refuse to be represented, I would ask, Where are you going to get their representatives from ? But in clause 21, to which I will allude later on, it is provided that any party may go direct to the Court of Arbitration in place of submit- ting the dispute to the Board of Conciliation. Well, what would happen if the Bill passed in its present shape would be this : that not only would the trade-unions refuse to set up the special Board of Conciliators, but if it were forced upon them they would take advantage of clause 21, and refer the dispute straight to the Court. This 6th clause, however, has been struck out by the Labour Bills Com- mittee, and I think rightly so; and I trust the Council will see its way to confirm their decision. Now, some of the provisions in this Bill that I view with most alarm are those which deal with the extension and limitation of the awards of the Court of Arbitration. As the law stands at present the award may be made to bind the whole of the people in a trade throughout the colony where the products of that trade are interchangeable in the mar- kets of the colony. That is a very wide, and the most extensive award that can be made. Next to that comes an award which may be made in regard to any industry in any in- dustrial district, and that award, by force of the Act, binds the whole of the persons em- -

whole industrial district. Now, in the Bill before us, we have in clause 12 a provision which enables the Court to extend an award in an industrial district-an award that has been made previous to the coming into operation of the Act of 1900 -a most extraordinary pro- vision. Then, in clause 13, subsection (4), a Court has power to limit its own award - that is, having made its award it may limit it in the first place to part of the industrial district ; next to any city; and, thirdly, to any town. Then, by subsection (5), if its a . ard is so limited, it may then extend it first, to any person,-here, again, comes in the provision which I spoke of previously, which binds non-unions ; secondly, to any employer ; thirdly, to any industrial union ; and fourthly, to any industrial as- sociation within the industrial district. Now, having limited its award and having extended it again, then the Court under subsection (6) may limit an award made under the Act of 1900. It may limit it, first, to any town ; secondly, to any city; and, thirdly, to any locality. Now, it is worth notice that while the Court may not limit its own award to less than a town, it may limit an award under the Act of 1900 which, perhaps, it never made- to a simple locality. Well, to sum up, we find, taking these clauses 12 and 18 with their sub- sections, an award may be extended, then it may be limited, then it may be extended, and then it may be limited ; and then the Bill goes further, and provides another limitation, be- cause in clause 24 it is provided that where workmen are engaged in different trades in any district for a particular employer the Court may make one award applicable to that business or any branch of it. We

have therefore reached the limit of limitation, for it is almost impos- sible to limit the Act to less than one single branch of a business carried on by one em ployer. Well, Sir, this constant limiting and extending, which, to me, resembles playing on a concertina, I regard as absolutely dangerous to the principles of the law, because I cannot conceive how it is possible for any Court of Arbitration to administer such a law as that without doing serious injustice to some em. ployers, and without doing grave injury to many businesses, for I cannot see how it is possible to avoid conflict in the a .ards that are made. If there is any President of the Court of Arbitra- tion who is capable of carrying out such a law in a satisfactory manner I would like to see him ; and, failing that, I would like to have a copy of his photograph, because he must be a But let us suppose-for most remarkable man his term of office is limited-that he is suc- ceeded by another President, and I would ask what will happen then ? It would be impossible that the new President could have full know- ledge of what had been done by his predecessor ; and, acting on the same lines, he must ma- e awards and extensions and limitations of awards which must of necessity conflict with what had been done by his predecessor. Now, why I regard the proposed changes in the law with so much fear is this : that the principle that 1900, was to frame general conditions in regard to industries which would bring about a fair competition ; that you would not have in one locality people working at less cost and com- peting unfairly with people in another dis- trict, or any part of an industrial district. The result of the law as administered up to the present time has been to raise up to the higher standard those who did not previously pay the same wages or give the same favourable conditions of employment. So it has worked out to the interest of the good employer, and it has bettered his business, and made him more prosperous by reason of the fact that it has done something to check unfair and un- healthy competition. When you have con- sidered the importance of that principle to which I have referred, just cast your eye over the measure now before us, and what do you find ? You find clauses in the Bill in which the dratting is altogether out of harmony with other clauses. You find clauses relating to Boards of Conciliation and the extension of awards scattered about all over the Bill. There is no draftsmanship about it, no proper grouping of the clauses, and the whole mea- sure, from a draftsman's point of view, is in such a condition as should not be the case in a measure of this kind. This is characteristic of a great deal of the labour legislation we have had before us in recent years. I cannot help thinking that we have not had a Minister of Labour, except in name, since the Hon. W. P. Reeves left the colony. Suggestions come from all sources-I merely suggest this, I cannot prove it-and they are handed on to the draftsman to be put into shape; then they are thrown down before Parliament and altered by Parliament, and by the time the Bill is passed no member of Parliament knows fully what is in the law. For this reason, and the other reasons I have given, I say that all these provisions in the Bill dealing with the awards should be excised from it. It is the only safe thing to do under the circumstances. Then, we come to clause 21 : this is a direct attack upon one of the most important principles of the law of 1894. It seeks to abolish the Boards of Conciliation in an indirect manner, because it provides that any party in a dispute may refer the dispute direct to the Court of Arbitration. Now, what would happen under such a clause as that? We have our past experience to guide us. We know that in every dispute while you might be able to come to terms with most employers you will find at least one employer who will agree to nothing, and who will take every opportunity to make himself as disagreeable as he possibly can ; and I venture to say that the result under this clause will be that all dis- putes will go direct to the Court of Arbitration. Now, what is going to happen if this is done ? Can one Court of Arbitration do the work previously done by the Boards of Concilia- tion, and do its own work also. I think it is impossible. The work of the Boards has reduced the work of the Court to a minimum, and that is how we have been abl

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by one Court. I have no doubt we shall re- quire to have two Courts, and perhaps more, and then probably we will have different awards made in different districts by different Courts, and coming into

conflict with each other. What is the position at the present time with regard to the Court of Arbitration? It has never been able to do the work that has come before it. A good deal of the delay which occurred in the hearing of disputes by the Court has been due to the fact that, owing to the changes in the appointment of President, unnecessary delay has occurred. That has largely been responsible for the delay, but as it is provided in the law that the President of the Court of Arbitration shall be a Supreme Court Judge, he has also to take his seat in the Court of Appeal, and do a certain amount of judicial work there which takes him away from the Arbitration Court. What is the result ? The wharf - labourers' dispute, which was heard by the Court the other day in Wellington, was initiated in the Conciliation Board here over two years ago; and over a year ago a dispute between the Tailoresses' Union and the employers was heard and decided by the Board of Conciliation, and it has not yet reached the Arbitration Court. Now, since it is proposed to abolish the Boards of Concilia- tion in an indirect manner, I would ask, why not let us deal with the proposal on the broad principle, and say whether it shall or shall not be done ? I have no hesitation in saying that the Boards of Conciliation have done excellent work. Reference has been made to the Wellington Conciliation Board. I know of one dispute they would have settled but for one employer, because the workers and the employers' union were in accord ; but one employer would not agree, and the case had therefore to go to the Arbitration Court. The same thing has happened in other disputes, and in the majority of cases the Conciliation Board has done much to bring the parties together, promote a better feeling, reduce the points in dispute, and so lighten the work of the Court of Arbitration. Again, the detail work that has been done by the Board of Conciliation in Wellington - in framing the tailoresses' log and other schedules of prices of picce-workers in the different industries- would entitle them to our respect if they had not settled one dispute. The Hon. Mr. Ormond has called attention to the number of sitting-days of the Wellington Concilia- tion Board and to the expense in connec- tion with it. Who is responsible for the excessive number of days that the Board has sat in connection with the various disputes ? I say the employers, and I will give an instance. The wharf-labourers' dispute came before the Board of Conciliation, and it included the ship- ping companies. The representatives of the employers allowed that case to be considered for three weeks by the Board of Conciliation, and then raised a technical point, and the dis- pute was thrown up and the proceedings had to be commenced afresh. Now, who is to Hon. Mr. Rigg of the Board, or is it the representatives of the employers, who all that time these proceedings were going on probably knew of the informality, and did not bring it forward until it suited themselves. And that is not the only case where the employers' representatives have done their best to prolong the proceedings, with a view, as I suggest, of bringing the Board into con- tempt and disrepute. The question of expense follows on the length of the sitting, and if, as I hold, the employers are responsible for the length of the sitting, they are also responsible for the expenses in connection with the sittings ; and here I would say this : that if the employers had not been spurred on in their opposition in the way they have been by the Erening L'ost newspaper there would have been more conciliation displayed in Wellington than there has been. That paper has never lost au opportunity of holding the Board up to con- tempt, and of raising an antagonistic feeling as between the employers and workers. I say that with a full sense of responsibility. Every little exhibition of heat that occurs is put in a prominent part of the newspaper, and every frivolous remark which falls from a witness or a member of the Board is published if it is calculated to bring ridicule upon the Board ; and that can be shown by reference to the files of that newspaper. Therefore, when you come to consider the question of the Concilia- tion Boards, you have also to consider the influences that are at work to prevent them being successful. Then, are honourable gentle- men aware that most of the principal dis- putes of the colony are brought before this Board which everybody condemns ? If there is a dispute affecting, say, the whole of the printers throughout New Zealand, such as the linotype dispute, it is heard here. The Hon. Mr. TWOMEY .- No. The Hon. Mr. RIGG .- It is heard here in the first instance, and so are others. The Hon.

Mr. TWOMEY .- No. The Hon. Mr. RIGG. --- I say, Yes; and that the decision made here is copied in other places. I am speaking of a dispute which affects the different parts of the colony, and, in the case I cite, representatives were here from the principal parts of the colony, and that necessarily makes work for the Board, and, of course, extends the duration of its proceedings. But why pass a clause which may have the effect of setting aside the Boards of Conciliation, when only last session we introduced legislation which was cal- culated to make their proceedings very much more effective ? By sections 55 and 56, subsec- tion (3), of the Act of 1900 all or any of the par- ties may accept the Board's recommendations with or without modifications, and then these recommendations may be enforced in the same way as an industrial agreement. Then, under section 58, subsection (2), there is the further provision that if the recommendation of the Board is not accepted, and an application not made to the Court within a month, then the recommendation of the Board becomes an award, and is to be enforced in a similar
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been properly tested, and yet before we have an opportunity of seeing the effect of our legisla- tion of last session we are called upon now to introduce legislation which, as I have said, may have the effect of setting aside the Boards alto- gether. Well, I submit that is not the way to legislate on great and important questions of this kind. I say that before we make a new law in regard to an important matter of this kind we should first see that what we have done previously has been thoroughly tested. I am not prepared to say that the constitution of the Boards is as perfect as it might be. I have suggested previously that it would be well to set up a Conciliator, who might have parties afterwards to sit with him, and they might form themselves into a Board of Conciliation if the Conciliator had failed to conciliate single- handed, with power to refer the dispute to the Court if necessary. I do not claim that this suggestion is original. This was a sugges- tion that arose out of a conversation between the Hon. Mr. Bowen and myself, and it was submitted to the Hon. Mr. W. P. Reeves at the time the original Act was introduced, but he did not see his way to accept it. I say 1 prefer that description of Board now, as I did then ; but, if we cannot have that, then I would sug- gest another proposal which may be worthy of consideration-namely, to reduce the numbers of the Board to three. That could be done by the Government. I have found in my experi- ence, when conducting cases before the Board of Conciliation, that it is an exceedingly difli- cult matter to make five men who have no prac- tical knowledge of the matters in dispute fully understand the question, and I believe that it would be very much easier to educate up three persons to a full bearing on the question than it is to educate up five, and at the same time there would be a certain saving in the expense ; so that I think that suggestion has something in it which may commend itself to the (iovern- Well, I hope before this Bill goes ment. through, these clauses to which I have referred dealing with the awards of the Court and Boards of Conciliation will be expunged from the Bill. There are some clauses in the Bill which I think are necessary, and they justify the intro- duction of an amending Bill. It is a very small amendment that occurs in clause 18. Under the Act of 1900 it is necessary, before proceed- ings can be taken to bring a dispute before the Board or Court, that a meeting of the union must be held, and a majority of the members of the union must be present and vote in favour of the proceedings. It is impossible to have such a meeting where federated unions are con- cerned, because they are not confined to any one locality, but extend to other parts of the colony, and I believe the insertion in the Act of 1900 of the words proposed will put that right. Clause 19 is rather important. It deals with a question like that of the miners at Waihi. There the members of the union made certain de- mands upon the employers, and the employers discharged eight of them. This could not have happened if the Bill introduced into this Council through this Council. At that time parties for and against the Act were pretty equally divided, and the result was that by small majorities some of the most important provisions were cut out of the Bill. It was provided in clause 4 of the Bill I have referred to that :- " For the purpose of extending the scope and operation of section twenty-nine of the principal Act, the following provisions shall apply :- "(1.) The duty imposed by that

section shall not be confined to the case of an in- industrial dispute which has been actually referred to a Board or the Court, but shall extend to cases where the dispute is in course of negotiation or discussion prior to any actual reference, and shall in- clude the duty - " (a.) On the part of an employer, not to discharge any worker on ac- count of the dispute, or for the pur- pose of avoiding or evading the reference ; and " (b.) On the part of an industrial union or association, trade-union, or employer, not to directly or indirectly countenance or encourage any breach of duty by any party to the dispute, or by any employer or worker. " (2.) The breach of any such duty shall be deemed to constitute grounds for an industrial dispute, which may either be made the subject of an inde- pendent reference, or, with the con- sent of the Court, and upon such terms as it thinks fit, may be in- cluded in any reference already filed and pending before the Court at the time when such breach was com- mitted ; and in either case the Court, in its award or by separate order, may direct that the whole or any specified portion of the penalty im- posed shall be paid as compensation to any worker who has suffered loss of employment by reason of such breach : "Provided that such dispute shall not be included in any reference filed and pending as aforesaid unless the Court is satisfied that the dispute arose out of or was connected with the subject-matter of the reference." This clause was lost on division by two votes. In clause 5 it was provided that :- " It shall be deemed to be a breach of duty on the part of an employer if he discharges any worker by reason merely of the fact that the worker is a member of an industrial union or trade-union, or is entitled to the benefit of an award or industrial agreement by which the employer is bound, and with respect to every such breach the following provisions shall apply :- "(1.) If at the time of such breach the worker is entitled to the benefit of an award or industrial agreement by

breach of duty shall be deemed to be a breach of the award or industrial agreement, and the Court may direct that the whole or any part of the penalty imposed shall be paid to the worker as compensation. " (2.) In any other case the breach of duty shall be deemed to constitute grounds for an industrial dispute, and the provision of subsection two of section four hereof shall apply thereto. " (3.) In every case it shall lie upon the em- ployer to satisfy the Court that the discharge of the worker does not constitute a breach of duty under this section." This clause was lost on division by six votes. Now, these two clauses would have dealt not only with a case like that of Waihi, but also with cases where unionists have suffered in con- sequence of the part they have taken in proceed ings under the Act. In the Bill now before us it is proposed, but in a very much weaker form, to provide something of that sort. I think, therefore, that if the Council has any desire to do justice to the workers they will see that the clause I refer to is adopted. Clause 20 provides certain amendments that are also necessary. It provides for the cancellation of the registra- tion of industrial unions which become defunct, and I think it is all the more necessary from the fact that years ago a number were formed for the sole purpose of returning a certain indi- vidual to the Board of Conciliation. I think the Council will agree that it would be a wrong thing to oppose legislation to prevent a repe- tition. Sections 22 and 23 simply provide machinery by which a case can be stated for the advice and opinion of the Court. Now I come to another little matter which I should not have referred to had the statement not been made by the Minister of Labour "that the Act was being ridden to death." I say any one who makes such a statement does not understand the principles of the Industrial Conciliation and Arbitration Act; and that such a statement should be made by any member of the Govern- ment I regard as most indiscreet. What, I ask, is the object of the Industrial Conciliation and Arbitration Act ? To settle disputes by means of conciliation and compulsory arbitration. And that it is settling disputes and preventing strikes by adjusting the conditions of employ- ment no one can deny. How otherwise is it possible to settle disputes under this law unless you adjust the conditions of employment ? We must remember that we have introduced a new law-that there is no law like it in the world-and we must expect that on its first in- troduction, and for a number of years after- wards, the work done under it must be ex-

tremely heavy ; but, all the same, it is merely doing the work that it was intended to do. Well, now, who can complain of that ? The divorce law of this colony has been extended recently by the Legislature, and a larger num- ber of divorce cases are coming before the Court ; but can any one say that that law is ' Hon. Mr. Rigg conjugal happiness ? An Hon. MEMBER .- Yes. The Hon. Mr. RIGG .- I do not think so. From what I can gather from the newspaper Press, which sometimes praises and at other times condemns the Industrial Conciliation and Arbitration Act, it is a splendid Act so long as you do not make use of it. It is a fine thing to talk about and to boast of as a law which the colony has a right to be proud of. Just let me give an illustration. A father presents bis son with a very handsome gun - let us say fowling-piece. He says to his son, " Now, my boy, here is a handsome present for you." He describes what the gun is to be used for, and what it is not to be used for : and then he winds up by saying to him: "Now, you can go and carry that gun about on the hills as much as you like, but you must not fire it off, because if you do you might shoot something." Well, that is just about the logic we are having served out to us in the Press in regard to the Act. As to what has been said, that the Boards and the Court are not doing their work, I say they are doing their work well. What has been done, and what has been steadily going on, is this : that standards are being set up in all industries, and conditions arranged, so that later on, when dealing with the same industry, it will be necessary only to shift the standard in order to meet the circumstances of the case. It can only then be a variation of movement up or down as regards the wages and other conditions of employment. That is what is being done. Of course, there will be new industries so long Esta- as there is progress in the country. blished industries will be developed and ex- tended, and they may call for special work on the part of the Court and of the Board. But still the work on the whole will become lighter as the years go on. 'that is my firm con- viction; and I believe that it can be shown to be a reasonable conviction if any one will take the trouble to consider and study what has been done in the past. Now, another principle of the law, or what the original Act was intended to perform, is to en- courage the formation of industrial unions and associations. I think that no one would dare to say it has not done that. I think it can be shown that never in the history of this colony were the workers so well organized as they are at the present time ; nor were the em- plovers so well organized ; and I venture to say that before the next election takes place the organization of both parties will be still more perfect, and I believe that the effect of that organization will be to exercise a very great in- fluence upon the destiny of this colony. 1 be- lieve, also, that in a measurable space of time the workers will rule in this Parliament of New Zealand, as they do in the country at the : present time; and I have every reason to be- lieve, from my past experience of them, that when that day does come their treatment of the employers will be very much more generous than the treatment the employers have ever

In any case, whether that may be or may not be, the industrial conciliation and arbitration law is wor ing out its own destiny. I believe it has done a great deal of good in the past, and that it will do a great deal more in the future if it is impartially administered ; and the final result will be for " the welfare of this country and of the inhabitants thereof." The Hon. Mr. McLEAN .- Sir, the honour- able gentleman who has just spoken, I thought at one time would have moved at the end of his speech that this Bill should be read a second time this day six months. The whole Bill is bad, in his opinion, from beginning to end, with the exception of one little clause. The Hon. Mr. RIGG .- Four. The Hon. Mr. McLEAN .- One little clause, I think he said. Now, I was very glad to hear the wind-up of the honourable gentleman's speech in one way, because he endeavoured to prove that the Arbitration Court would never be able to perform its duties if certain clauses were retained in the Bill. He winds up now by telling us that the Arbitration Court presently will have very I ttle to do-that when all the trades are adjusted there will be very little more work for them. Sir, I only hope with all my heart that that is going to be true. A great deal of the honourable gentleman's speech was taken up by the defence of his friends the Wellington Conciliation Board. He has been at

great pains to defend them in season and out of season. He has had up before the Labour Bills Committee the Chairman of the Conciliation Board to give us a whole fore- noon's work hearing of the great good he has done. What did that gentleman prove? That he might be a very good and conscientious man, but for business capacity to conduct his Court he had none. An Hon. MENBER .- That is a libel. The Hon. Mr. McLEAN .- That is no libel. Does the honourable gentleman mean to say that all this time would have been taken up if this gentleman and his colleagues had gone to work in a businesslike way to see that every- thing had been done that was required by the Act, and to see that the parties were brought together and kept in order ? If he had kept his own Court in order, the work would have gone on a good deal quicker probably. Now, this gentleman said he had been the means of settling a good many points. He was asked how long he sat every day. He said, " We sit from half-past ten o'clock to half-past twelve o'clock, and from half-past two o'clock to half- past four o'clock." The Hon. Mr. RIGG .- Five o'clock. The Hon. Mr. McLEAN. - Half-past four was the time mentioned by that gentleman, though my honourable friend tried to make him spin it out at beginning and end in his examination of the named periods. I do not think in these days of eight hours that they were working very hard if only working half that time; and it is not very difficult to see how they could go and take as much as three weeks over one dispute. Now, you have only to take these figures on there is in the statement of my honourable friend that these bodies have done a great work. I find that for the last fifteen months the Auckland Board has cost $366, the Wel- lington Board #1,089, the Westland Board £17 6s. 4d., the Canterbury Board $109 4s., the Otago Board #220 14s. 2d., and the Tara- naki Board $8 8s. If that is the cost of the Wellington Board, surely they cannot be carry- ing on their business as quickly as they might. What is the object in taking three weeks ? Employers and employ és would have to attend every morning, and any person who knows any- thing about business must recognise that it would be most inconvenient for a man to leave his business for four hours in the day, and that any such proceeding would be sure to bring the Conciliation Board to grief. Now I leave the honourable gentleman and his friends on the Conciliation Board and see what he says about the Act. He makes a great point about clause 2, and wishes to exempt trade unions from it. Why does he wish to do so ? There is no trade-union now that we know of, or that the honourable gentleman knows of, that is not registered under the Industrial Conciliation Act ; and why should be wish them not to be so registered ? I presume the Government have good reason for putting that clause in the Bill, and I think any one who heard the evidence that was given before the Labour Bills Commit- tee must come to the conclusion that it would be a good thing to include "trade-union " in the Bill. Some of the witnesses were more can- did than others. One gentleman protested and said he did not see why he should not keep his trade-union out altogether if they wished ; and, further, that there was no reason why the men should not strike, instead of taking a case to the Court. That was plain speaking on the part of the witness. Other witnesses objected to the proposal, as it would increase the number of disputes. Well, it is really dif- ficult to understand how it would increase the disputes if they can all be brought within the However, if the honourable gentleman Act had his way I believe there might be no end of disputes. Every seven men could register as a trade-union, and might consider they had ground for a dispute. Not that seven men in any union could do much harm even if they did strike, but if they took action it might lead to inconvenience. I asked one witness if he had read the preamble of the Conciliation and Arbitration Act, in which it was stated the object of the Act is to prevent strikes and lock-outs. The witness said that the men might not like the award ; and why, he asked, should they not be allowed to strike? Well, that would, of course, knock the Act on the head, and I do not think employers and employés wish that to come about. Why, then, does my honourable friend want to keep out his trade-unions, instead of keeping to the exist- ing Act ? The Act is there for better or worse, and I consider that every one should be worked under it. Now I come to clause 3, which my honourable friend did not touch. That

everybody under the Bill; and it is a ques- tion, I think, whether agricultural labourers and farmers should not be brought under the clause. If brought under the Act it might not be so serious as some of the farmers think it would be, for if any union of workmen raised a dispute they would have no right to knock off their harvest work at once; they would have to go on with it, and before the dispute was settled the harvest would be in, and the dispute would not be worth much. There- fore my reading of the Act is that the proposal is not so bad as the farmers who are frightened about it imagine it is. Now I come to section 6 of the Bill. My honourable friend has made a great point of the special Conciliation Boards. Well, the evidence we had from the Trades Council is such as was stated by my honour- able friend-that is, that if the employés took part in any dispute they might be dismissed. However, there was one witness, the president of a trade-union, who, speaking for himself, and not for the Trades Council, said he believed in the clause, and, further, that he had settled some disputes in the proposed way. The Hon. Mr. JENNINGS .- He will get it for that. The Hon. Mr. McLEAN .- Well, he is a gentleman who, if one may judge by the way he pronounced his opinions, will hold his own wherever he is. If my honourable friend is afraid that the effect of the clause will be such as he states, then the union could take the case direct to the Arbitration Court. The honourable gentleman says they will not work under it. If so, there is no course left but to go to the Arbi- tration Court; there is no trouble about it. However, I believe, myself, this clause is a vent, and will be a saving of the Conciliation Boards. Will any one tell me that the parties will go past the Conciliation Boards in Dunedin with the dispute? I venture to say they will not. I consider the clause will be very good in bring- ing the honourable gentleman's friends up to the mark ; and probably, if they conducted their proceedings in a different way, there would be no difficulty about the Conciliation Boards remaining as they are at present. Therefore I would strongly recommend that the clause should be retained in the Bill as a means of preserving the Conciliation Boards. I consider that the principal object of the Bill is to make the principle of the Act more work- able. As for clause 18, and the case of which my honourable friend spoke, I think the law was wrongly interpreted in the case he referred to. It was never intended that the motion passed at a meeting should require a majority of members of the union, because the members have to go through the ordeal of a ballot after- wards, so that the majority of them attending at a meeting is not of consequence. I quite agree that in some cases they could not attend a meeting. Clause 19 was struck out of the Bill, and in its place a fresh clause was drafted, which I think every one will admit is more like justice than the clause it replaces. I now come to the principal clause of the Bill- clause 21. Hon. Mr. McLean considerable difference of opinion about the clause, inasmuch as it allows either of the parties to a dispute to go direct to the Arbitration Court. Well, in my opinion, if you make it apply to both parties the clause will be a dead-letter. We tried it in the Conciliation Boards last year. We altered the Bill as it came from the other House, and it has been a dead-letter, and the same result would follow in the present case. Now, I can show you cases where it is very good to go to the Arbitration Court direct. Mind you, I believe, myself, in going before the Conciliation Board and threshing the mat- ter out to a certain extent, even if I have to go to the Court of Arbitration. But there are cases of renewals and agreements in which it is very desirable indeed to go to the Arbitration Court direct. There may be only a few points to settle, and if you go to the Court of Arbitration and get these two or three points settled they will not be keeping the parties to the dispute two or three weeks before the Board of Con- ciliation wasting their time, but they will get the matter settled in a day. While these disputes are going on, and are keeping up the agitation, they tend to destroy the good- will of both parties towards each other, and my opinion is that the sooner each dispute is settled the better it is for all concerned. It is not good to keep up the irritation for several weeks when you can settle it in a few days. I hope that clause will be kept in. I agree with something my honourable friend said, to the effect that these Bills are coming forward too quickly, and that it would be much better to allow them an opportunity of being worked in order that they may be tested properly. Every one knows that a bad law well administered is better than a good law badly

administered, and if we had a little less of this pretence at consolidation it would be much better for all parties in many cases. This pretence at consolidation is only in order to get in a lot of new matter, as we have seen in the amending Bills coming forward, and we are giving these Acts little rest. Let these people try to work out their own laws, and all these faults which they propose to cure by amending Acts will come right, and may probably in the working turn out not to be faults at all, but recommendations in their favour. I hope that these clauses will be kept in the Bill, and that they will result in a considerable amount of good, and aid in keeping or bringing about good feeling between employer and employed, with- out which no industry can well succeed. The Hon. Mr. JENNINGS .- Sir, one gets tired of criticism with regard to these affairs ; it is simpler and casier to hold one's peace, and it is certainly more comfortable. However, one has a duty to perform, disagreeable though it may be. There are some statements made by the Hon. Mr. Rigg which I feel it is my duty to controvert. I wish to deal more par- ticularly with his statement that most of the disputes that arise in the colony are brought to Wellington to be settled. I emphatically state that, as far as the great number of dis-

may include Taranaki as well, such is not the case. It can also be said that the Canterbury people, in regard to the typographical and other disputes there, settled their disputes in Canterbury. Now, there has been a great deal said about the Board of Conciliation in Wel- lington raising irritation, and some of the mem- bers fomenting disputes. My honourable friend who champions this Board must know, and if he is honest he must admit it, that one mem- ber of that Board went to the trade-union he belongs to and endeavoured to get the members of his society to break an award made by the Court of Arbitration because it did not fall in with the recommendations made by his Board. Mly honourable friend knows that is true. The Hon. Mr. RIGG .- No; this is the first I have heard of it. The Hon. Mr. JENNINGS .- Well, then, I will relate the circumstances : One member of the Board of Conciliation here was disappointed at the award given by the Court of Arbitration, and he got the Typographical Society here to call a special meeting for the purpose of not ac- cepting that award ; but I am glad to say the good sense of the majority of the members of the Typographical Society of Wellington said, in effect, "No, we have fought our fight ; we have got an award, and, though we do not agree with it, we are prepared to accept it." This member of the Board, who should have been the last man to incite his fellow-workers, had only one or two followers to back him up. That is a fact, and my honourable friend must know it, although he disclaims it. The Hon. Mr. RIGG .- I have already denied that I know the circumstance as related by the #cc-zero honourable gentleman, and that is that I knew a member of the Board of Conciliation had in- cited his union to break an award. I deny I had that knowledge, and the honourable gentle- man has reiterated his statement that I had that knowledge. I deny it. The Hon. Mr. JENNINGS .- I accept the Hon. Mr. Rigg's statement; but he must have noticed what appeared in one of the Wel- lington papers about this circumstance ; it was current talk here in Wellington at the time. 1 know the meeting took place-what is the use of subterfuge in these matters ? I have letters in my possession, which I will produce if neces- sary, showing that one member under this Act has endeavoured to influence the members of a union to break an award made in Auckland. Knowing these facts has made me take up this position. I hold that in labour matters there should be no cunning and trickery. I believe strongly and firmly in the Conciliation and Ar- bitration Act. I was one who took a great deal of interest in it when it came before this Council many years ago, and, though I was only a mere tiro then in political matters, I felt, at any rate, it was going in the right direction, as if rightly used it would be a boon to my fellow-workers. But the opinion now obtains throughout the colony, and this opinion was expressed by the large majority of the members of the repre- steps should be taken to prevent the friction and unnecessary irritation that are arising all over the colony. When this Act passed it was never intended, as my honourable friend claims, that every dispute should be taken before a Board or the Court of Arbitration. My view of law is this: that most people who have got any

sense will keep out of it as far as possible. It is expensive in every way. This Act was intended to deal with large and grave issues, such as the maritime strike ; it was never in- tended to be an every-day occurrence. My experience-and I have had a little in appearing before the Court of Arbitration and the Board of Conciliation, and I believe I am expressing the opinion of those who have reflected upon the matter-is that people do not want to be put to the harassment, loss of time, and the expense of going to the Boards time after time. Now, with reference to clause 21 of this Bill : I know some unions have appeared before the Boards of Conciliation ; and it is an expensive matter to some unions. The unions have not accepted the recommendations made by the Boards of Conciliation, and have taken the dispute to the Court of Arbitration, where an award is given. Whether it is acceptable or not to the union, it has to be observed for a period of two or three years. After that award has expired, why should not the union, if it so desires, go direct to the Court ? There may be only one or two points to settle, and the unionists might say, " We prefer to go direct to the Arbitration Court, instead of having to put up with the expense and loss of time involved in bringing our unions again before the Board, for we know we shall have to go to the Court for a final settlement." I say it is a fair proposal, if the parties are desirous of going direct to the Court, because they have exhausted on previous occa- sions the chances of having the matter settled by the Board. Now, my honourable friend takes exception to clause 13-that is, in regard to the limitation of awards. Well, that is a point that has caused a great deal of thought throughout New Zealand. The ideal of my honourable friend and some of those who hold more extreme views than I do in regard to these matters was this : that when an award is made in Wellington it should apply to the whole of the colony. That view, to my mind, is impracticable. My honourable friend might as well assume that all the goldfields regula- tions in force throughout the colony should be similar, and should apply to all parts alike. If that were the case you would have a rebel- lion on the West Coast-if the law regulating the goldfields there was the same as that regu- lating the dredging operations in Otago and the quartz mining operations in Auckland and other parts of the colony. It is impossible to have the same conditions existing all over the colony -what suits one part of the country will not suit others. Again, a good deal of the unsatis- factory feeling that has arisen in regard to the Boards of Conciliation comes from this fact : that the Boards are composed of townspeople. People in the country districts, particularly,

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made by a Board that is absolutely composed of townspeople, who do not know our require- ments ? " Let me instance the printing business - and I claim to know a little about that occupation. Why should an award made here in Wellington apply to Feilding or Taranaki, or other country districts? The Wellington extreme trade-unionists strove for that ideal ; but it is impossible to carry it out; and in striving in that direction they are weakening the Act altogether. I would draw attention to a return which was placed before members to-day. It appears to be incorrect in, at any rate, one particular. I have a very distinct recollection that the saddlers, who referred their case to the Board of Conciliation at Auckland, did not accept the recommendations at all, and they appeared before Mr. Justice Martin, and that case was settled by the Arbitration Court; whereas it says here that this particular case was settled by the Board. Now, there is another clause of this Bill, clause 6, and I entirely disagree with the action of the Labour Bills Committee in striking it out. I hold that in the past experience we have had, in connec- tion with the Boards of Conciliation and the Court of Arbitration, and believing that it is better not to utilise the machinery too much so as to cause it to come into contempt, that it would be well if the special Boards of Concilia- tors were kept in. This would allow the mem- bers of different trades to negotiate with their employers without the intervention of strangers. My honourable friend and some other mem- bers of this Council hold the belief that a man would be marked. Well, unfortunately, in the Waihi dispute it has been the case that men were dismissed from their employment. I regret very much that that has happened ; and it only strengthens the case of those who hold the view that a man will be marked if he sticks up for

his trade. In the Waihi case, and . also in the case of the Allendale miners, men, unfortunately, were dismissed for voicing the views of their co-workers. For that reason, I support the amendment of clause 19 of this Bill. which will prevent any such dismissals for the future. In the majority of cases, I believe, employers will not interfere with members of a union if they appear on behalf of their fellow- workers in regard to increases of pay, or what- ever may be decided upon in bettering their condition. I know and can cite quite a dozen trades where men who have appeared before Conciliation Boards and Arbitration Court have not been dismissed from their employment for sc doing. This Act is merely in its early stages yet. It is still in the experimental stage; and I believe the intentions of its promoter, the Hon. Mr. W. P. Reeves, will be carried out in this colony yet. The intention of this Act was to prevent disastrous strikes- no one would like a repetition of the great strike of 1890. I would be very sorry to see anything that might cause it to be expunged from our statute-book ; but it was never in- tended for the purpose of taking every small dispute before the Board or Court. I know a Hon. Mr. Jennings for an increase of 6d. per day, could very easily have been settled by the persons engaged in that dispute if outsiders had not interfered. But that outside interference raised unneces- sary irritation, and the matter was fought out, and, after all, the 6d. per day was not gained. These men were working forty-five hours, and were getting $3 per week. There is no "sweat- ing " or underpay in such a case as that, and it should never have been cited. I agree with my honourable friend in his concluding remarks, that if this Act is carried out with the expressed good-will of every one, it will tend to prevent such a disaster as occurred here some ten years ago -- and that was the intention of the Act. I believe, however, with my honourable friend, that the spirit of the people of this colony is such that it will prevent any falling-away in regard to "sweating" or other disabilities that workers may writhe under. Our political system is the most complete for reaching an ideal democracy that the world has seen. That is the reason we should be careful, and not raise artificial restrictions, or have undue in- terference with rational liberty, and be the manufacturers of abuses. Those who profess to speak on behalf of the workers should en- deavour to realise that cast-iron rules are pre- judicial to business, and the lever should not be. pressed too far. If it is it will assuredly react on the masses of the people. The time has arisen for us to forget in this colony that there are such people as democrats, Liberals, Conservatives, or labour people. The new type of politician should be neither of these - be should be a Nationalist. I think there should be a higher ideal in this colony, seeing what has occurred in the neighbouring Common- wealth of Australia. A great aspiration has been brought to life in Australia; and we do not know what the possible effect of their tariff or fiscal proposals will be. We should go carefully, slowly, and cautiously now, and not go to the extreme, to the possible injury of our workers. There is no country on the face of God's earth that has the conditions that labour has at the present time in New Zealand. Forty- eight hours is almost universal. I do not know of one trade that is working more than forty- eight hours; 1 know many are working less. On the other hand, we know that in Australia in various industries they are working fifty and fifty-six hours. At Home, in America, and on the Continent the hours are very much greater, and we have to compete against these places. Therefore it behoves us not to push the rail- way-car too far or we may find the car off the track altogether, because the points have not been well secured. I may be as one erving aloud in the wilderness in my views, but I have noticed that it is not those who are always crying out on behalf of labour who are the most sincere. I intend to support the amendments brought down by the Bill; and I hope that what has been said here to-day may have the effect throughout New Zealand of making those who are rushing to extremes pause a little bit, and try and have a little more consideration in

unnecessary irritation. The Hon. Mr. TWOMEY .- Mr. Speaker, I trust I shall never lose the friendship of the Hon. Mr. Rigg, for I believe that any honour- able gentleman who would undertake the defence of such a body as the Wellington Con- ciliation Board would always stick true to his friends. He challenges

us to produce a tittle of evidence in support of the statements made to the detriment of that body. But there is the very fact that, out of £1,800 expended on conciliation, over #1,000 of it has gone to that body. Then, if we look at the number of days -the honourable gentlemen have the paper -we see that Board sat more days than all the others put together. The Hon. Mr. RIGG .- That is why they got more pay. The Hon. Mr. TWOMEY .- That is why they got more pay, and that is why they sat only three or four hours a day, because every day they sat they got a pound-note, or something like that. Now, the honourable gentleman says that every case which presents a difficulty comes to this body in Wellington to be adjudicated by that august body, and that is how he explains the length of time which this body sits. Now, Sir, I do not suppose there have been three cases of this kind during the whole of the existence of this Board. I think the Hon. Mr. Rigg has made a great mistake in de- fending the Wellington Conciliation Board, for I warn the workers that putting such men in such positions and keeping them there is the best way possible to destroy this Act. They are making a great mistake ; and, instead of the defence made by the Hon. Mr. Rigg, he ought to direct attention to what has been done by #cc-zero other Boards of Conciliation in other parts of the colony and say, "Are you going to destroy the thing because a mistake has been made in the case of Wellington ?" That is the position. Of course, it is not for me to dictate to the honourable gentleman, but it appears to me that that would have been a wiser and a stronger course than to try to defend the indefensible. What astonishes me, however, is that after all his attachment to conciliation he objects to any extension of it, and for that reason will not agree to render section 50 of the principal Act operative. This section of the old Act appoints special Boards of Conciliators under special circumstances, but it says " may," and this is pro- posed to be changed to " shall." The present law is, the Board must be appointed " on the ap- plication of all the parties." Now it is proposed to change it to the application of either party, so as to give one party power to demand a special Board of Conciliators, instead of having to go to the big Board, perhaps hundreds of miles distant. And here I say now that in this respect some means ought to be found so as not to drag people from all parts of the country to the cities, where the Conciliation Boards and Arbitration Court sit, away from their business at tremendous expense. I think that some- thing ought to be put here to enable local dis- putes to be settled locally. I think that ought of putting it in, and in a manner that will satisfy the Hon. Mr. Rigg. What he objects to is that these shall be experts, who would bo employés in the trade, and would be placed in a position in . hich they might, be subjected to persecution. Well, I am entirely with him there. I think that the workers ought not to be asked to run any such risks, and that persons who are not experts, or who have no connection with the trade, should be appointed instead. I think if the honourable gentleman will knock out these words in subsec- tion (2) of the principal Act, "who shall be experts in the particular trade under dispute," and place the Resident Magistrate as Chairman of the special Board of Conciliators, he ould make, I think, a very good and very useful tri- bunal to settle local disputes. The honourable gentleman may possibly say that the whole of a trade in which there is an industrial dispute must be brought to a centre in the first place. But supposing there is a breach of the award, I think that might be settled locally by such a Board as this, and many things of that kind might be settled locally by this Board. That is the reason why I wish to retain that section, with the hope that it may relieve people from having to go from great distances to the prin- cipal centres. I happened to be in the South lately when all these bootmakers from Auck- land to the Bluff had to assemble together in Christchurch. And it is so in other trades too, for we passed a law that where the product of any industry is likely to compete throughout the colony the same award shall apply to the whole colony. I think that is so. An Hon. MEMBER .- NO. The Hon. Mr. TWOMEY .- That is the posi- tion so far as I understand it. It happened that all the bootmakers were cited to Christ- church, from Auckland to the Bluff, and kept there for weeks at the Arbitration Court. Now, that is an awful and extraordinary power to be in the possession of any seven members of any trade. Under this Act seven men can form an association and register, and as soon as regis- tered they can summon

all the employers in that particular trade, from Auckland to the Bluff, to any centre they wish, and bring them before the Court and have an award given to them. I think when the workers possess such an extraordinary power as this they ought to use it very sparingly and not be too aggressive. No doubt that was in the mind of the Premier when he said the Act was being ridden to death. I think the honourable gentleman, too, might have omitted to mention that. But what do I see ? After all that has been done for labour, what did the Government get ? A slap in the face, and a very severe one, inasmuch as he says nothing has been done since the Hon. Mr. Reeves left the colony. I think this is a severe blow which ought not to have been struck. Let us remember that drawing employers from all parts of the colony to central cities must in- crease the cost of production, and consequently the imported articles which come into compe- tition will undersell the locally produced articles

mean the contraction of local products, and that means the contraction of the field of labour. Consequently, one of the things the labour party-who the honourable gentleman says is coming into the House exclusively at the next election-ought to adopt as their policy is a policy of protection. The farmers should be given some compensation, to put them in such a position as that they can get some advantages. Everything is artificial; and why should we not extend to the farmer some of the artificiality? Let us carry the farmer's grain and wool free on the railways, and give him some advantages like that. As the cost of production is being increased by these laws, so should the protective tariff be increased to enable us to produce our own goods instead of sending to other countries for them. This ought to be the policy of the labour party. I think there can be no objec- tion to going straight to the Court of Arbitra- tion instead of having to go through the expense of the Conciliation Board. People have to come hundreds of miles, and the chances are ten to one that the award of the Board is not ac- cepted. The Hon. Mr. W. C. WALKER .- That is the great difficulty. The Hon. Mr. TWOMEY .- That is so ; you are double-banking the expenses of the em- ployer by sending him first to the Board. Instead of dragging men a hundred or two hundred miles to a Conciliation Board and an Arbitration Court, why should they not have the chances of only going once? I move the adjournment of the debate. Debate adjourned. The Council adjourned at five o'clock p.m. # HOUSE OF REPRESENTATIVES. Thursday, 24th October, 1901. First Reading-Third Reading-Bill discharged- Dunedin City and Suburban Tramways Bill- Order of Business-New Zealand Ensign B.ll- Maori Lands Administration Bill - Pariroa Native Reserve Bill-Coal-mines Bill-Military Pensions Bill. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READING. Aid to Public Works and Land Settlement Bill. THIRD READING. Patea Harbour Bill. BILL DISCHARGED. Local Bodies' Goldfields Public Works and Loans Bill (Mr. Palmer's). Hon. Mr. Twomey TRAMWAYS BILL. IN COMMITTEE. Clause 1. Short Title. Mr. CARNCROSS (Taieri) moved, That pro- gress be reported. The Committee divided. AYES, 21. Parata Bennet Lethbridge Buddo Massey Stevens Duncan Thompson, R. McGowan Fisher McGuire Thomson, J. W. Gilfedder Mackenzie, T. Tellers. Hardy Mckenzie, R. Carncross O'Meara. Lang Mills Lawry NOES, 28. Allen, E. G. Russell, G. W. Graham Allen, J. Hall-Jones Russell, W. R. Atkinson Heke Smith, G. J. Hornsby Barclay Tanner Ward Collins Hutcheson Colvin Kaihau Wilford. Ell McNab Fowlds Meredith Tellers. Arnold Fraser, A. L. D. Monk Rhodes Fraser, W. Millar. Majority against, 7. Motion negatived. Mr. O'MEARA (Pahiatua) moved to add, at the end of the Short Title, the words "and Taieri Inundation." Mr. SEDDON (Premier) moved, That pro- gress be reported. Agreed to. ORDER OF BUSINESS. Mr. SEDDON (Premier) moved, That, in order to facilitate the business of the House, after Friday, the 25th day of October, that por- tion of Standing Order No. 55 which relates to and prevents orders of the day and notices of motion being called on after midnight be sus- pended for the remainder of the session. He took it that members desired to complete their labours as soon as possible, and this was the usual resolution within the last fortnight of the session. It would, of course, rest with the majority of members as to what new business should be taken. He could only say he

would do his best to facilitate the business of the country. Mr. MASSEY (Franklin) did not rise to object to the motion, because he thought, with the Premier, that the time had arrived when all obstacles should be removed to secure the speedy despatch of business, consistent with the business being done properly. He hoped, however, that no attempt would be made to rush business through, as was done last session, and that there would be no legislation by exhaustion, because he wanted to tell the Pre- mier that if there was such an attempt it would probably do more harm than good. Motion agreed to.
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Mr. SEDDON (Premier) said that, according to promise, he now laid on the table the despatch from the Secretary of State for the Colonies with reference to the reservation of the New Zealand Ensign Bill, and honourable members would see that the last paragraph of the despatch bore out what he (Mr. Seddon) said on the Bill the other night. The paragraph in the despatch was as follows :- "I take this opportunity to acknowledge the receipt of Sir Robert Stout's despatch, No. 80, of the 25th October last, relative to the form of the reservation clause in 'The New Zealand Ensign Act. 1900.' I prefer the form which was suggested in Lord Derby's circular de- spatch of the 20th June, 1884; but the form used in the present Bill appears to me sufficient for all practical purposes. He begged to move, That the paper do lie on the table, and be printed. Motion agreed to. MAORI LANDS ADMINISTRATION BILL. On the motion for the committal of this Bill, Mr. A. L. D. FRASER (Napier) rose to a point of order. On the 4th October an un- opposed return was agreed to by the Premier. He proposed to read that return, and ask Mr. Speaker's ruling upon this point - namely, whether this Bill could proceed until that return was complied with. The return was as follows :- "Mr. KAIHAU to move, That there be laid before this House a return showing,-(1) The total area of land now owned by Maoris within the North Island of New Zealand, distinguishing therein papatupu lands and lands held under any description of ascertained title ; (2) the total area of such Maori lands contained (a) within each separate Council district consti- tuted under ' The Maori Lands Administration Act, 1900,' (b) within that portion of the North Island for which Council districts under the said Act have not as yet been constituted, (c) within the boundaries defined by ' The Ure- wera District Native Reserve Act, 1896,' and amending Acts, (d) within ' The Thermal-Springs Districts Act, 1881,' and amending Acts, and (e) within 'The West Coast Settlement Re- serves Act, 1892,' and amending Acts; and (3) the total Crown valuation placed upon, and the total Maori population resident within, each of the above-mentioned districts respec- tively. The said return to be laid upon the table of this House before the debate is taken upon the second reading of the Maori Lands Administration Act 1900 Amendment Bill." Mr. SEDDON (Premier) said the point of order was a novel one. The order in that re- ference was to the Maori Lands Administra- tion Bill, a different Bill altogether. The Bill before them was a Maori Councils Bill. Hon. MEMBERS .- Oh, no. Mr. SEDDON said that his Order Paper was " Maori Councils Administration Bill to be committed." At all events, the point of order would not hold good, because in that case a ever took place in this colony. I exonerate Paper until a return was prepared. That could not possibly stop a Bill going on ; the only thing that could stop a Bill proceeding was a majority of the members of the House. Mr. HALL - JONES (Minister for Public Works) would point out that this was not a second reading, but a question of going into Committee. Mr. DEPUTY - SPEAKER said that, under the Standing Orders, when a motion was made for the second reading of a Bill pro forma the second-reading debate took place on the order for its committal, and therefore the debate on the committal of the Bill meant the same as the debate on the second reading. The point of order raised was a novel one. The honour- able member had given him notice of his inten- tion to raise it, and he was of opinion that the Bill could not be proceeded with until the re- solution of the House had either been com- plied with or rescinded. Consideration of Bill postponed accordingly. PARIROA NATIVE RESERVE BILL. On the motion, That the Bill be read a third time, Mr. A. L. D. FRASER (Napier) .- Though I do not rise to make any special objection to this measure, for I really consider the object is a good one, yet I would like the

Minister in charge of the Bill to tell the House why he has taken this one single case out of the Native Land Claims Adjustment Bill, that has been before the House for years, and made it the subject of a special Bill, and entirely ignored other cases therein which were of equal im- portance. It appears to me that, year after year, we have brought down to this House a Bill which, in the euphemistic term that is applied to it, we recognise as the " Washing-up Bill." One has been before the House for five years to my own knowledge, and nothing has been done to pass it into law. But the Native Minister quietly puts his hand on one case and brings down a special Bill for it. I may say that, after studying Native legislation for the last ten years, I am painfully suspicious of Native legislation. Mr. G. W. RUSSELL .- Inconsistent run- ning. Mr. A. L. D. FRASER .- The honourable gentleman is a better authority on that in any walk of life than any other member in this House. But what I was going on to say is this : I am suspicious of any Native legislation, not from the act of the Ministry or the Minister that brings it down, but from the designing Europeans outside who are exploiting the Ministry, and will exploit them, and also this House, unless we with the very greatest care analyse every question brought before us. If honourable members wish me to give an in- stance of how this Ministry has been exploited, I can place my finger on three lines of an Act passed by this Ministry when the Premier was Native Minister which will unearth one of the ! most transparent robberies of the Natives that

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remains that legislation -innocent on the face of it -was passed which did irretrievable injury to a large number of Natives. The Natives now say, "For God's sake, for our sake, be careful of any legislation dealing with us or our linds." And, with this suspicion in my mind, I intend to ask the Minister why this special case is taken from a Bill of eighteen clauses introduced four years ago and brought down in a special measure. whilst others are ignored. There are cases in that Bill which demonstrate that certain Native men and women are suffering under great disability, and, I ask, why are they not given relief ? This case, I admit, is a deserving one, and should have been attended to years ago ; but it is not more urgent than other cases in that Bill. I ask the Native Minister on this third reading why a special interest has been attached to this one claim. Mr. SEDDON (Premier) .- I think it is due to the House and myself that the honourable member should now give the name of the mem- ber of this House and the amendment put into the Bill which has had the effect that he has informed the House. 1, of course, as members know, am rather chary of accepting amend- ments when I have got a Bill in Committee, and the honourable gentleman has given me a very cogent reason why I should be more care. ful. The honourable member considers that a very grave wrong has been done by a member of the House. Mr. A. L. D. FRASER .- Not a member of the House. Mr. SEDDON .- The inference was that he was a member of the House. Hon. MEMBERS .- He said so. #cc-zero Mr. SEDDON .- If that is withdrawn it is another matter, for that was the serious part of it. I understood the honourable member to say that the person responsible for the amend- ment was a member of the legal profession and a member of the House, and that it was done in the interests of the client of the particular member of the legal profession. As far as the other charges are concerned, I suppose of every Government and every Native Minister dealing with Native lands and legislation the same thing has been said, and I can only, in answer, say this : that I stand here and no man living can say that knowingly I was a party to passing legislation in the interests of individuals, and knowing that such legislation would have the effect of injuring any one of the Native race. On the other hand, where there has 8.30. been the slightest ground for believing that the Natives would be injured, I have always prevented it so far as lay in my power. I mev say now that, whilst differing -and we do differ-from the honourable member in re- spect to dealing with Native lands, it is our duty to give what is now our policy a trial. If it fails, then we shall have to do something else. It has not had a trial, because at its initiation, we found technical difficulties had cropped up. We found again, in one district-the Westland District-that there has been a difficulty in ad- i has not adhered to the policy he proposed in Mr. A. L. D.

Fraser contending factions, and the result was that we had to take steps to ascertain what was the mind of the Natives in that particular locality. Mr. DEPUTY-SPEAKER. - I must remind the honourable member that he is not now speaking to the Bill .. Mr. SEDDON .- I am replying to the honour- able member, who was allowed to deal generally with the question, because he said that in re- respect to all our Native legislation the Ministry was being practically exploited by designing white men. At all events, there is nothing left but to give a trial to what is now the legislation affecting Native land. Let us give it a fair trial, and if after that we find the Natives will not embrace that which Parliament has decreed, then we will have to make a change. And the next change will be probably in the direction indicated by the honourable gentleman. I have fought against it for many years. I do not think it is right to give free trade in Native lands. I think we must safeguard the Natives. The pres- sure now, I may say, is becoming very great, because the Natives themselves will not do anything with the land ; they are not doing anything with it themselves, and no one else can do anything with it. A good deal now rests with the Natives themselves. So far as this Bill is concerned, I can only say there were very grave reasons for this Bill being taken out of what is known as the "Maori Washing-up Bill," because if the subject-matter of this Bill were left in the Maori Washing-up Bill opposition might be taken to it, and the passing of the Bill imperilled ; and that would result in serious injury to those affected. When I tell the House that for ten or fifteen years, I think, this money has been lying there, that it belongs to these Natives, and that these Natives are in dire distress, I think it will be recognised that the time has now come for us to distri- bute it and let them have their just rights. That is all there is in this Bill; there is no question of policy at all in it. It is a question of doing what is a simple act of justice, and I hope the House will pass the measure. Mr. A. L. D. FRASER .- I would like to make a personal explanation. I did not inten- tionally refer to any member of the House as at present constituted. Mr. SEDDON .- That is just as bad. Will the honourable member say that, at the time these three words were put into that Bill, they were put in by a member of the legal profes- sion who was then a member of the House ? Is that so ? Mr. A. L. D. FRASER .- That is so. Mr. SEDDON .- Then, I say, we ought to know who the individual was. Mr. PIRANI (Palmerston) .- I hope this in- teresting "little go " between the Premier and one of his principal supporters will not induce a general discussion on Native-land legislation at this stage of the session. The Premier has expressed opinions as to future Native-land legislation that I am very sorry to hear from his lips, and I regret very much he

been done, all the difficulties and waste of time that has gone on ever since would have been done away with ; but the Premier has endea- voured to show-at the expense of the Natives -- how largely he is endowed with the initiative he is accused of lacking, by his Native-land legislation. I am tired of repeating the truism that in the West Coast 'Reserves Act the Go- vernment have a solution of the Native-land difficulty-economical, efficient, satisfactory, and just. Admitting these facts, one cannot understand why the example thus set by the late Mr. Ballance has not been more extensively followed by the present Government, for I feel assured there is no better method of preserving to the Maoris the benefits of the lands, while insuring the best use being made of them. Mr. HEKE (Northern Maori District) .- Sir, I regretted to hear the Hon. the Premier say that if the Natives fail to carry out the provisions of the Act of last year the Govern- ment would adopt free-trade as a policy. I do not believe in his heart he desires it. I believe the Government have laid down well-formed foundations for Native legislation, and it only requires some alteration here and there to secure to the Natives the balance of their lands, and to make provision for its leasing. There is nothing in the Act of last year which pro- hibits any European from holding Maori lands. All the forms set out last year to enable Euro- peans to settle on Maori land are as good as the means by which you set apart Crown lands for European settlement. We want to secure to the Maoris a means by which they will not in the future be deprived of their livelihood. We have to look forward to their future. The available balance of Maori lands is very small, and if a proportional distribution were to be

made each individual would not re- ceive more than fifty acres per head. But, still, we have to consider this : We have chari- table aid and old-age pensions. We have to provide means by which the Maoris in future shall not be dependent upon charitable aid or become a burden on the Old-age Pensions Fund. The only means by which we can prevent this is by the legislation of last year. The Premier has also made this point in his speech : that we have large tracts of Maori land lying idle. But what is the cause of it ? Is it the fault of the Maoris? Certainly not. We only want the House to assist us to pass legislation enabling Maoris in a more satisfatory way to lease their lands. We have laid down a foundation by passing the Act of last year. Of course, there are members of this House, and there are Euro- peans outside the House, who will never be satisfied unless the Government bring down legislation doing away with all restrictions im- posed upon the alienation of Maori land. We have individual members here whose sole object is entirely directed in that way-to remove restrictions, and to allow every individual to negotiate with the Maoris, with the view of acquiring by purchase their land ; but I believe that in the heart of hearts of every member of this House it is really the general VOL. CXIX .- 17. should take place. What we desire is this: If we can satisfy Europeans who wish to become settlers by leasing our land, that can be done ; and at the same time we can provide for the future of the Maori people, and avoid the Na- tives becoming a burden on the charitable aid or the Pension Fund of the colony. There are provisions in the Act of last year which we think ought to be amended, and the Bill before. us is an attempt to bring that about. I firmly believe, if the House passes the amendments brought down by the Government, it will tend towards bringing about the results I have indi- cated-that is, that the wants of the Europeans with respect to leasing Maori lands will be satisfied, and the measure will also satisfy the Natives to a great extent ; but, above all, no more alienation by sale. Mr. SYMES (Egmont) .- I trust that this small digression has not taken the House away from the consideration of the provisions of this Bill. This is a Bill simply to do an act of justice. It is within my own knowledge that the Maoris have been deprived of their just rights for a great number of years, and I trust that any slight digression on the subject of Native land legislation will not take honour- able members away from the consideration of the Bill. I hope this House will never consent to free-trade in Maori land. In my opinion, not one single acre more of Native land should either be purchased by the Crown or by any private individual. I speak as a New-Zea- lander, and I say we ought to stop that at once. The sole object of the pakeha-Maori is to ex- ploit the Natives. They have lived and fattened out of the Maoris for many years, and their sole object in wishing for free-trade in Maori land is simply that they can still further exploit the Maoris. I hope that the time has come when the whole of the dealings in Native lands, so far as the sale is concerned to either the Crown or to any private individual, will cease, except- ing in the case of negotiations now pending. which should be completed as speedily as possible. I say it is a standing disgrace to this colony and to every member of Parliament to have a landless Native in the colony. It is one of the greatest disgraces that could possibly happen to this country that there should be a landless Native. I say, if we are to have free-trade in Native land, we shall have a large number of Natives depending upon charitable aid. I do not blame the Natives for the standstill that has taken place in connection with Native-land settlement. It is not altogether the fault of tho Natives. The Government have been pull- ing one way and the pakeha-Maori another, and the Maoris have suffered in consequence. The pakeha-Maoris have done their best to prevent the lands being dealt with, so that in the near future they would hope to get strong enough to pull the strings sufficiently to have free-trade in Native lands brought about. I trust that will never happen. I hope the House will pass this Bill, which is only carrying out an act of justice that should have been given effect to years ago. Mr. FOWLDS (Auckland City) .- I hope at

have a double debate on the question of Native lands. The Maori Lands Administration Bill has been blocked to-night by the honourable member for Napier, and will probably come on to-morrow or the next

day. We are now spend- ing time on a general discussion on Native-land legislation. I think it would be much better if we were to confine ourselves to the questions involved in the Bill before the House, and get the Bill passed. Mr. MASSEY (Franklin) .- Judging by their speeches, the honourable member for Egmont and the honourable member for the Northern Maori District are evidently afraid that it is intended to introduce legislation to bring about free-trade in Native lands. Sir, I have heard of no such suggestion from either side of the House. But the present state of things can- not be allowed to continue. Native lands -- millions of acres - are locked up, and, in conse- quence, the progress of the colony, and par- ticularly of the North Island, is retarded. We have patched up and tinkered with our Native-land legislation for the last ten years; and what is the position now? Why, Sir, we are very much worse off than before. Last year a Bill was placed on the statute-book which was to be a remedy for all the evils of Native- land legislation, and the effect has been that not a single acre of land has been dealt with under that Act. The thing is an absolute failure; and now we have a Bill which proposes twenty-two amendments upon the Act of last year. The real remedy for the Native-land trouble is to individualise the titles. It would not have been necessary to introduce the Bill if that remedy had been in operation some time ago. We ought to individualise the titles, give each Native his own piece of land, and make it inalienable, so that he cannot sell it. There is no reason, though, why he should not lease it. Then, the balance of the lands should be dealt with in a similar way to that in which the Crown lands are dealt with. I would do no injustice to any aboriginal natives, but I would have them to understand that the law of the colony applies to them the same as to Euro- peans, and that, above all things, they must not be allowed to stand in the way of settle- ment. Mr. LANG (Waikato) .- I think the remarks of the honourable member for Egmont should not be allowed to go unchallenged. He spoke about free-trade in Native lands, and said that if we went back to that the Natives would be left landless. I would point out to members of the House that in the olden days, when free- trade was allowed in Native lands, there was a law in force which compelled a purchaser, be- fore he acquired land from the Natives, to see that sufhcient was left for them to live upon. But what is the case since the Government attained the pre-emptive right ? The (Govern- ment has bought the last acre from Natives, and even the interests of minors have been bought. The Natives are in a worse position than they were when there was free-trade in land. In the old days a Native had a fair Mr. Fowlds desired from one purchaser they could go to another; but now the Government fixes the price for the land, and the Natives have to take that price if they sell the land. That is what has happened since the Government ac- quired the pre- emptive right ; and we know that at certain times, when the Natives require money, they sell their land, as they have done to the Government in many instances, at about a quarter of the proper value. Mr. G. W. RUSSELL (Riccarton) .- I should hardly have risen, Sir, but for the attitude taken up by the honourable member for Napier in this discussion. The honourable gentleman has made exceedingly grave charges against the legislation of the Government, and charges which, coming from any other quarter, might have very considerable significance attached to them. But knowing, as members of the House do, the exceedingly mercurial temperament of that honourable gentleman, and that usually when he rises to his feet his impulses run away with his judgment, I doubt very much whether the serious charges he has made against the legislation of this colony in relation to Native affairs will be treated seriously either outside \-.- the House or in this Chamber. The honour- able gentleman is one of those members who sit in very close contact with Ministers, and \--- ---- when the necessity arises he is one of those to whom is handed the "black-book." I do not know whether it will be possible to put the honourable gentleman's speeches in the "black-book " and turn up any of his ut- terances to the electors of Napier which would justify the exceedingly strong com- ments he has made to-night regarding the Native legislation of this Government. He \---- has stated that they have been exploited by Europeans outside for selfish purposes-a very nice remark to come from an honourable gentleman who handles the " black-book " in the interests of the Government when any other 1 member gives expression to his views

in a 1 manner not pleasing to Ministers. However, let that pass. Now I would like to say one or two words with regard to this Native-land question, which has been mentioned by almost every speaker that has addressed the House. Having myself lived for a considerable part of my life in the districts of Waikato and Mana- watu, I have seen something of Native - land What is the position ? We have matters. had it stated by the honourable member for the Northern District and other members to-night that the Maori lands at the present time are lying undeveloped. Now, what is it the busi- ness of this country to do ? I say it is not to permit free-trade in Native lands, and thus allow the land-sharks, who perhaps are repre- sented upon the floor of this House, to put their hands upon huge blocks of Native territory as they have done in days past ; it is the business of the Government, as a paternal Government, not to despoil the Maoris, as has been done in \-- the past, but to introduce a broad and definite system in connection with the Native lands. We have in the Advances to Settlers Depart-

in New Zealand, what I may call the genesis of a great scheme, and I say it is the duty of the Government to consider whether it is not possible to advance to the Maoris-or to a Board consisting of elected Maoris and nomi- nated Europeans, who shall administer the Maori lands-whatever money may be necessary for the development of those lands. The Maoris themselves have not the capital with which to develop their lands, and you are then shut up to one of these two positions. Mr. DEPUTY - SPEAKER. - The honour- able member is clearly going away from the Bill. Mr. G. W. RUSSELL .--- Well, 1 shall come back to it. The Bill that is before the House is an exceedingly important Bill; but it only touches the fringe of a very large question, and the large question involved is this : In connec- tion with this Pariroa Block, we find it has been stated by the Minister (the Premier) and the member for Egmont that moneys are due to these people in connection with their land, and they are not able to obtain it. How, then, are they able to develop their property ? That brings me back to the point I wished to make just now : that it is necessary that capital shall be provided for the development of these lands, or that you should adopt the other alternative of allowing free-trade. I say this House and this country will not allow free-trade in Native lands again. I believe the South Island mem- bers of this House will be prepared to stand up almost to a man and say that the state of things that has obtained in the past under free- trade shall not be allowed to be resumed. Then I come to the further point, that, when once we lend the Maoris money to develop their land and the land is brought into profitable occupation, we must do what we shall have to do before long, and what the honourable mem- ber for Franklin referred to - we must tax them. But we cannot tax them before their lands are developed. Taxation should only follow when the lands are in profitable occupa- tion. Mr. R. THOMPSON (Marsden) .- Sir, I think if the honourable gentleman who has just spoken knew more about Native lands he would not be so very sanguine. Neither would he be so anxious to encourage the Government to advance money upon Native lands. I say the moment the Natives begin to borrow money on their lands the lands are no longer theirs. The end will be that the land will be taken over by the lender, whether the Government or the private lender. The great trouble in dealing with Maori lands is this: that the Maoris themselves do not feel disposed to turn to and cultivate their lands. That is the whole trouble. I do not think any member of the House wishes to see the Natives despoiled of their land, but there are many districts in which the Natives own valuable blocks of land which they are making no attempt to improve, but from which they derive no income. These blocks are capable of settlement, but the Natives do not show a disposition to clear the land, or to do anything to continue for all time. If we could by any means encourage the Natives to clear their land, and imitate the European settlers by putting the land in grass and making homes for themselves, it would be the duty of the Government and of this House to assist them in every way we can. But, on the contrary, the class of legislation we have been putting through the House for some years has gone in this direction : that we are encouraging the Native owners to believe that by some process of legislation we are going to put them in a position to lead a life of

idleness, and to get the pakeha settler to work for them and keep them in idleness. An Hon. MEMBER .- The old story. Mr. R. THOMPSON .-- It is not the old story. I say that all Native legislation for a number of years goes in that direction, and we are educat- ing the Natives to believe that we will establish them as a class that may live by the industry of others. That will not do for the colony. We should encourage the Natives to improve their land, and where there are surplus lands the Natives do not require for their own use we should acquire those lands in the same way as we now acquire land under the Land for Settle- ments Act. We should pay the Natives a fair sum for their lands, and invest the money for their benefit for all time, and at the same time secure to the Natives sufficient land for their o \\n use. If that were done we would for all time save the Natives from destitution, and in the course of time, I believe, the Natives them- selves would realise that is the best thing that could be done for them. An Hon. MEMBER. - How could they improve their land without money ? Mr. R. THOMPSON. -- If you give them money they will not improve their land. I have lived among them for the last thirty years, and I know the trouble. I say the best thing the Government can do would be to come to some friendly arrangement with the Natives, and where they have large blocks of surplus land - it is mostly bush land-that land should be purchased by the Government, the money should be invested for the Native owners-they should not get a shilling of it- and they should be allowed to draw the in- terest. The Natives would then be in a better position than they are now. If the present state of things is allowed to go on, we are putting the Natives in a worse position every day. As I have said, I have lived among them for the last thirty years, and I say the Natives are in a worse position to-day than they were thirty years ago. I have no hesitation in say- ing that in the North of Auckland 9.0. there are Native owners of large estates who are obliged to go out and dig for kauri-gum, and if they did not do that they would have to starve. That is the position to-day. And I say these Native owners of large estates do not contribute any taxation to the State, nor to rates for local purposes, and the land brings in no income to them ; and neither will it so long as the present

position. I deny that there is any section of the people of this country who wish to do any injustice to the Native owners of land. Their only desire is to see the Natives put in a better position, and to encourage them to become practical settlers. If we could only do so, and break up the communistic system that obtains amongst them, so that each Native owner could go and live on his own land and cultivate it, or go in for raising sheep and cattle, they would be one of the most comfortable races in existence; but the trouble is to get them to do that. At any rate, to set up a class of Native landlords to live in idleness is the very worst thing that could be done for the Natives them- selves. Mr. J. ALLEN (Bruce) .- The honourable member for Marsden has stated that Natives are worse off to-day than they were thirty years ago. I am beginning to wonder whether that is the fault of our legislation or the adminis- tration of our legislation. The following facts- I believe them to be facts-were placed before me a few days ago. I wish the Minister to deny them or to explain them. I am told that a private offer was made for some Native land at £30 an acre. There were restrictions, how- ever, upon it. The Government refused to re- move those restrictions, and that private offer consequently could not be accepted. But a little later on the Government purchased that same land for $7 or £9 an acre; and if this be the case-it is but one instance, and from in- qui ies I have made I understand this is not a solitary instance, but one that has occurred many times-I say, if that is so, if that is the result of our legislation and administration, I do not wonder, under such circumstances, that the Natives are worse off to-day than they were thirty years ago. I believe what I have stated is correct, and southern members should demand an explanation from the Administra- tion whether these things are true or not. Mr. WILLIS (Wanganui) .- I am sorry the discussion has taken such a turn as this, be- cause the Bill brought down was certainly not intended to evoke a debate of this kind. We shall have a discussion later on when the Na- tive Lands Administration Act comes before this House ; but certain statements have been made with regard to the Natives which I can- not allow to pass unchallenged. The

honour- able member for Marsden, for instance, said that the Natives are utterly unfitted for farm- ing. Mr. R. THOMPSON .- I did not say so. I said they did not do it. Mr. WILLIS .- It is not correct ; because I can state that near my own district there are a large number of Native farmers, and very good farmers too, and they have some excellent farms there. I consider that a large number of those who have spoken with regard to this measure, when they speak of the Natives being worse off now than they were fifteen years ago, hardly realise what would be the position of the Na- tives if these restrictions had not been brought Mr. R. Thompson slightest chance of getting hold of Native lands, when agents were going round with unlimited money to induce the Natives to sign deeds and get rid of their land for the benefit of speculators. And, Sir, the consequence was that we find very large blocks of land came into the hands of very few people as the success of those rings, the result being that large blocks of land are held for speculative purposes. Had it not been for the restrictions placed on the land the Natives to-day would have been almost landless ; and the measure which is being brought down, I am satisfied, is an honest attempt on the part of the Government to deal honestly with the Natives for their benefit. I might say that the first one to interfere in this direction, and who took a very keen in- terest in restricting the lands of the Natives, was the late Hon. John Ballance, as he fully realised how the lands of the Natives were passing from them under free-trade in their lands. I am quite satisfied that if we deal honestly with the Natives, and make the best use we possibly can by means of leasing the lands for their benefit, their position will be very much improved. And why should they not be allowed to lease their lands in the way contemplated by the Acts, and get the benefits, in the same manner as Europeans are allowed to do ? Mr. DEPUTY-SPEAKER .- Will the honour- able gentleman show me what this subject bas got to do with the Pariroa Native Reserve Bill ? Mr. WILLIS .-- Perhaps not directly, but in- directly. I consider I am in order, because other members of the House have been making statements of a similar nature. Of course, if in the first instance you had ruled others out of order who spoke on the same subjects, it- would have been quite wrong of me to have spoken a little wide of the mark. But many members of this House would only be too glad to see free-trade in Native lands. Mr. DEPUTY-SPEAKER .- The honourable member must speak to the Bill, or resume his seat. Mr. WILLIS .- I bow to your ruling in this matter; but I would like to say that the Govern- ment is making an honest endeavour to do their best to deal with these Native lands, and when the other Bill is before the House I admit it will be the right time for the discussion. Mr. CARROLL (Native Minister) .- I am sorry indeed at the discussion on this Bill to have taken such a wide circuit, and involved the whole Native policy of the Government. One must regard the honourable member for Napier as having distinguished himself this evening in two ways especially. First of all, in the manner in which he intercepted the motion for the committal of order of the day No. 1. Mr. DEPUTY-SPEAKER .- I do not think that can be referred to. Mr. CARROLL .- In making this reference, Sir, I only wish to remark that the honourable

gentleman was responsible for the lengthy dis- cussion which has taken place, which should properly have been taken on the previous order ; and what reason there was for the interception I really cannot tell, because it was simply putting the debate off for a day or two at the longest, and what there is to gain by that one cannot easily comprehend. Mr. DEPUTY-SPEAKER .- The honourable member must see that that is out of order. Mr. CARROLL .- Very well. I do not want to discuss the question of Native policy at all. The time, I admit, is unfitting ; but you have allowed honourable members every latitude, and the least they can do is to feel grateful to you, Sir, for your complacency. I do not want to follow in their steps, but as certain questions were interrogated of me respecting the "Washing up Bill" and its non appear- ance, and why the subject-matter of this mca- sure under discussion was taken out of it and put into a separate Bill, and why certain alleged anomalies occur in our Native ad- ministration, I must in some way satisfy the curiosity of members. I say there was every valid reason for making this a separate Bill. This is a

matter of great urgency, for one thing, about which there could be no question. Moneys have accumulated in respect to the land herein which should be in the hands and pockets of the Native owners. They have been for years without the use thereof, and, as it was necessary to employ special machinery to carry out the particular objects of the trust, a sepa- rate Bill such as this was indispensable. Be- sides, there were no European or other interests involved, and everything was plain-sailing. And, further, the "Washing.up " Bill this year includes many clauses which deal with matters entirely fresh and additional to those which were contained in the Bill of two or three years ago. Thus there might be contentious matter which would imperil any legislation intended for the Pariroa Reserve. The honour- able member for Napier is very much afraid that the exploitation which was common in the past might be resumed in the present in- stance, and disastrously affect this " Washing- up" Bill. I can assure him that great care will be taken that every clause in that measure undergoes a very careful scrutiny. Then, Sir, the member for Bruce asked me pointedly this question in regard to the administra- tion of Native lands by the present Govern- ment: "Is it true that land for which the Native owners have been offered £30 per acre, and were not permitted by the Government to accept, was purchased afterwards by the Go- vernment at $9 per acre? " I know nothing of such a transaction. Captain RUSSELL .- You know of lots like it. Mr. CARROLL .- No. I have yet to find out that in any case has the Government given $9 per acre for Native land. An Hon. MEMBER .- You never gave as much. Mr. CARROLL .- If the honourable gentle- man had spoken of shillings there might be something in it. What is the Government being discredited for now by its opponents ? First of all, for taking the pre-emptive right, and then for buying Native land at small prices much below their value. The honourable member for Bruce must not listen to every story poured into his ears. When we compare private purchases with Government purchases, though the private purchaser in some cases gives a higher price for the land, he is the gentleman who picks out the very cream-the eyes of the country -and leaves the ordinary waste lands of the Natives for the Crown to acquire. That is the history of land-purchas- ing and land-acquisition in this country. Sir, although the Government may give a smaller price than that which may be ruling on the day, or give a smaller price than what is offered by a private individual, we must remember the Government is buying for the State-for every one. It is not buying for private individuals or as a private individual ; every member of the community has an interest in the purchases made by the Government, and, if the Govern- ment buys forty thousand or fifty thousand acres of land at 5s. per acre, the advantages and benefits arising therefrom will be shared in by the public, including the Native sellers of the land. You cannot, therefore, on public grounds put the Government and the private purchaser on the same footing in dealing with the question of Native-land acquisition. Sir, I say the Natives as a body look forward with every hope to successful results obtaining from the administration of Native lands on the principles affirmed by Parliament last year, and which are now on the statute-book. I take this opportunity of satisfying honourable members on the point as to whether the Govern- ment intend to revert to the policy of free- trade in Native land. So far as I am concerned -and I think I speak on behalf of the Govern- ment and party-there is no such intention whatever. I can give an emphatic denial to any suggestion of the kind. The Government re- cognise this : that the day for free-trade in Native land is past and cannot be restored. I think the Natives should have every opportunity of testing the merits of the Maori Lands Adminis- tration Act passed last year-that is, the ad- ministration of their lands through Land Boards. Why should they not have Land Boards ? If the system is good and effec ive for the waste lands of the Crown, why should it not be equally so for the waste lands of the Natives ? Sir, no one deprecates the turn the discussion has taken more than myself, because we should have had the debate proper on the Bill I attempted to move into Committee. I only regret that the House was not permitted to fully discuss the wider question, which would have been more interesting to the country than what has taken place as a result of this frivolous attempt to frustrate the Government. Bill read a third time. COAL MINES BILL. On the motion for the committal of this Bill, Mr.

McGOWAN (Minister of Mines) said,- Sir, I believe that I will be consulting the
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as possible in moving the committal of this Bill. The Bill was read a second time pro forma, and has since been considered by the Goldfields and Mines Committee. There are only a few clauses, and the object of the measure is to rectify some inequalities which at present exist in the Act. Clause 2 proposes a small reduction in the royalty on slack coal, which in many cases the mine-owners are not able to sell. The proposal is to reduce the royalty upon this coal, and only charge upon that which is sold a rate of 2d., instead of 3d. as formerly. I might point out that clause 3 was struck out by the Goldfields and Mines Committee, and I would like to inform the House that, when the Bill goes into Committee of the Whole, I shall give honourable members an opportunity of voting upon the proposal therein contained. It is a provision I inserted at the request of the working coal-miners of the colony, both in the North and South Islands. I beg to move the committal of the Bill. Mr. R. MCKENZIE (Motueka) .- I wish to make a remark or two in connection with this measure. First of all, I would like to know where the proposal for the reduction of the royalty came from. I desire to call the atten- tion of the Minister to the fact that the coal at the West Coast mines is taken from the mines in railway trucks to the ship, and is weighed at the ports, so that this provision does not apply, because there is no useless rubbish there. All the coal that comes out of the mine goes into the trucks, and is carried by rail, as I have said, to the steamer, and is weighed before shipment. I do not wish the honourable gentleman to dis. organize the revenue of the Westport Harbour Board in connection with this matter. I would #cc-zero like to have an explanation from the Minister in connection with this clause. I may say that the clause struck out by the Mines Committee is. in my opinion, the most important clause in the Bill. The present law is that the workmen in a mine may appoint two of their own number to make a report. This Bill goes a little further, and gives authority for the report to be made by two persons not connected with the mine. I hope that clause will be reinserted. 1 do not agree with the repeal of subsection (46) of clause 33, because that sub- section gives a clear definition of all matters that are to be reported on, so that I think the Minister, in entirely repealing that subsection, is making a mistake. I think, although that gives all the power that is given in this clause, we should still retain subsection (46) of clause 33 of the principal Act. In the subsections of clause 33 of the principal Act everything re- ported upon is defined and laid down distinctly. The new clause 5 is also, I think, an important clause-that is, that the eight-hour day should be reckoned, as the miners say, from bank to bank. I do not think there can be any reasonable ob- jection to that, because the man is actually at work from the time he leaves home until his eturn. Motion agreed to, and Bill committed. Mr. McGowan IN COMMITTEE. ' Clause 3 .- " (1.) Where workmen are em- ployed in a mine, or any of the workmen so employed are members of a society formed in connection with the coal-mining industry, and registered under 'The Industrial Conciliation and Arbitration Act, 1900,' as an industrial union of workers, such workmen or society may, at their own cost, appoint any two persons to inspect the mine, whether such persons are em- ployed in the mine to be inspected or not. "(2.) The persons so appointed shall have full liberty to visit and inspect every part of the mine, its machinery and workings, once at least in every month. "(3.) The mine-owner and mine-manager may accompany the persons so appointed in their inspection, and shall give them full and free facilities for the inspection. " (4.) The persons so appointed shall make a full and faithful report in writing of the result of their inspection, which report shall be signed by them, and they shall furnish a copy thereof to the owner or manager of the mine. who shall cause the same to be recorded in a book kept at the office of the mine. " (5.) Such book shall, at all reasonable times, be open to the inspection of any Inspector under the principal Act, or workmen employed in the mine, or officer of the said society, who may take copies of or extracts from the reports re- corded therein. " (6.) This section is in substitution of sub- section forty-six of section thirty-three of the \- -- principal Act, which subsection is accordingly hereby repealed." The Committee divided on the question. "That the

clause stand part of the Bill." AYES, 30. Allen, E. G. Flatman Meredith Fraser, A. L. D. Mills Arnold Barclay Gilfedder O'Meara Parata Bennet Hall Buddo Hall-Jones Russell, G. W. Carncross Hogg Stevens Willis. Carroll Hornsby Duncan Lawry Tellers. Ell McGowan Millar Field Mckenzie, R. Tanner. Fisher NOES, 22. Atkinson Russell, W. R. Hutcheson Bollard Lang Smith, G. J. Collins Lethbridge Thompson, R. Colvin Thomson, J. W. Massey Fowlds McNab Monk Graham Tellers. Hardy Palmer Allen, J. Pirani Heke Fraser, W. Majority for, 8. Clause agreed to. Mr. R. MCKENZIE (Motueka) moved the following new clause :- "The following proviso is hereby added to section eighteen of the principal Act, at the end of the first paragraph thereof : ' Provided that no Inspector so appointed shall have allotted to
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him any locality in which the total number of miners employed exceeds three hundred unless such miners are employed within a radius of fifty miles."" The Committee divided on the question, "That the new clause be read a second time." AYES, 19. 'Allen, E. G. Parata Heke Barclay Smith, G. J. Kaihau Lawry Tanner. Collins Lethbridge Colvin Tellers. Ell Mackenzie, T. Field Millar Hornsby O'Meara Mckenzie, R. Guinness NOES, 31. Allen, J. Hardy Monk Herries Pirani Atkinson Hogg Stevens Bennet Bollard Hutcheson Thompson, R. Thomson, J. W. Buddo Lang Carroll Willis Massey Duncan Witheford. McGowan McGuire Fowlds Gilfedder McNab Tellers. Meredith Graham Carncross Russell, G. W. Hall-Jones Mills Majority against, 12. New clause negatived. Bill reported, and read a third time. MILITARY PENSIONS BILL. Mr. McGOWAN (Minister of Mines) .- Sir, most members are aware of the object of this Bill, and I do not think it is necessary for me to take up the time of the House in moving the second reading. I move the second reading of the Bill. Mr. J. ALLEN (Bruce) .- Some time ago I put a question to the Right Hon. the Premier asking him to extend the operations of our Pensions Act with respect to those who have served the country in South Africa; and I understood him to say he would bring down some amendments to widen the operation of our Act. The Bill only to a very limited ex- tent extends the Act of 1866, and I very much regret that we are not now bringing our legisla- tion with regard to our soldiers in accord with the Imperial pensions scheme, as set forth in the scale of Imperial pensions in the " Royal Warrant for the Pay, Appointment, Promotion, and Non-effective Pay of the Army, 1900." Now, I will in a very few minutes show that these amendments, even though they extend the operation of our Act, do not go anything like so far as the provisions of the Imperial Act. Even with these extensions of our original Act military pensions are made generally to apply only to men who have received wounds in action, and may be paid to their widows and certain near relatives. Provision, however, is not made for anything other than wounds re- ceived in action. The Act of 1866 does ap- parently go a little further, and provides for pensions to widows under conditions other than wounds in action. See clause vii. (b) :- "If the officer, Native chief, non-commis- sioned officer, or private died from illness brought on by the fatigue, privation, and ex- posure incident te active operations in the field before an enemy within six months after his being first certified to be ill, the special pension fixed in the annexed scale may be allowed." That is the only exception which is made. I wish very briefly to point out to the House that the Imperial warrant goes further, and it gives what are called disability pensions, and provides for pensions for wounds, injuries, sunstroke received in action, or in the performance of military duty, or on account of blindness caused by military service. The Imperial warrant goes even further : it says that a pension may be given for a disability caused by climatic discaso or exposure in the field, and a pension on a smaller scale may be granted in other cases where the disability is due to other causes. Our Pensions Act, even with the proposed amendments, does not cover such cases at all. I submit that our men may have suffered just as much from the climate and exposure as from wounds received in actual warfare; and the permanent result of such disease to their con- stitution may be such that some of them will not be able to work again, or they will only be able to do a small amount of work. Yet these men have served their country, and are suffer- ing from the result of disease caused in the way I have indicated. If it is right for us to give a

pension for wounds received in action, then I think it is equally right that we should give a pension to men who may suffer through disease incurred in course of the cam- paign. I cannot move any amendment in the direction of increasing the pension, because I shall be told that I am increasing the charge on the funds of the colony, and that such an amendment must be brought down by Go- vernor's message. I do appeal to the Minister to consider what I am saying with regard to the extension of the Military Pensions Act to the cases I have stated. I would ask him even yet to bring down a Governor's message to extend the operations of the Act so as to in- clude these cases. They are included in the Imperial pensions, and I see no reason why they should not be included in our Pensions Act. The Imperial Pensions Act has a wider operation than our law will have even with this amend- ment. Our Act refers only to widows, mothers, sisters, and children where the soldier suffered through wounds, and I do not think it goes any further than that; but I think the Imperial Act goes considerably further than applying to widows and to those who are de- pendent on men receiving injury or death in going through the campaign. For instance, in the case of disability contracted in the service, but not caused by the service, they may award a temporary pension not exceeding three years. and that may be renewed upon certain condi- tions. I am quite aware of this fact : that it is useless for me to talk any more about the matter if Ministers themselves, who only have the power to make these additional amend- ments, will not consent to do so. The Premier has just come in, and I will briefly tell him

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propose to amend, only covers wounds received in action, though to a limited extent it covers also the widows of those who have died from illness, which illness was not actually the result of a wound received in the campaign. It also covers widows, children, mothers, and sisters; but I want the Hon. the Premier to understand that the Imperial pensions cover a great deal more than that. They cover disability due to climatic disease, and dis- ability due to exposure. Our Act does not do so ; and, as amended, it will not do so. The Imperial Pensions Act is much wider than ours, and it covers also disabilities and diseases from exposure on the field. I repeat, I think that a man is as much entitled to a pension who is suffering permanently from disease as the result of a campaign as one who has a wound, and I hope the Premier will yet con- sent to bring down a Governor's message ex- tending the operation of the Act to cover all the Imperial Act does, for I do not see why our men, who have served their country and the Empire, should be placed upon a worse footing than those who have served from the Home- country. I ask him to look over the Imperial pensions, and so to amend the Bill as to cover all the Imperial pensions cover. Mr. SEDDON (Minister of Defence) .- Sir, there is a great deal in what the honour- able gentleman has contended, but we must not forget this : that there is a great diffi- culty in proving the claims, and that it opens a very wide door when you say, that climatic influences during the stay in South Africa may have laid the seeds of disease, and that ulti- mately the health has been impaired. If you do that you will never know where it is going to stop nor when it is going to commence. I want to be free from any matter of that kind. I do not see how it could be sufficiently safe- guarded. Years after, numbers of men might come up and claim upon the funds of the colony for a pension. I took it for granted my- self that, under the Act of 1866, the provisions made there would meet all that was necessary under the circumstances ; and I may say that it was not pointed out to me then, nor was it urged, that we should go beyond the Act of 1866. We have gone, even in our present law, farther than what has been mentioned, and I think, myself, that under these general terms it covers nearly everything the honourable mem- ber has referred to: "Men rendered incapable by "; "men able to contribute to," and so on. That is the First Schedule. Mr. PIRANI .- What about being disabled by illness ? Mr. SEDDON .- As I have said, it is not pro- vided for in the original Act, and it was not provided for in the Bill of last session ; but there may be cases where such disability is apparent now, and where, immediately after coming from duty that is observed, the circum- stances would warrant something being done ; but to put it so that, as the honourable member says,

years afterwards they can claim a pension because the seeds of trouble were laid in South Mr. J. Allen our pension-list clear at all. An Hon. MEMBER .- Regulations should pro- vide for that. Mr. SEDDON .- Well, I would nct endeavour hastily to pass a Bill through with such a con- dition. I should say that it ought to be that after arrival from the war, and on examination by a properly constituted Medical Board, if the Medical Board then and there say that the soldier, trooper, or officer has had his health permanently impaired, he should be placed upon the list. I say there is something in that; but if we leave it open so that at any time men can come in and say that their health has been impaired in consequence of what took place in South Africa you will have a very big pension-list. It will grow probably as the pension-list has grown in America. The Bill before us cures some existing defects of legisla- tion. The point raised by the honourable gentleman is a very reasonable one. I will look into it carefully, and also into the Imperial Act, and will see how far we can go. At the same time I do not want my name associated with any measure which in years to come is going to place a heavy burden upon the people of the colony; but I want to do justice to those who fought our battles in South Africa. I admit, myself, if a man's health has been impaired to such an extent as to render him incapable of earning his livelihood, and the ill- ness arises when in the service, and the claim is made at the time, that is a fitting case for Parliament to provide for, and I will look into the matter. Captain RUSSELL (Hawke's Bay) .- I think the principle we ought to follow, and the prin- ciple we ought to have adopted when the First Contingent left for South Africa, is that when our men return from South Africa in an injured condition their welfare should be well looked after by the colony. That is the principle we ought to go upon. I admit that what the Pre- mier says is right : that we must be particularly careful that we do not create an abnormal pen- sion-list in years to come, such as has been created in the States of America of sufferers, direct and indirect, by the war of secession. It is quite possible, I think, to do all that is neces- sary without involving ourselves in an abnormal pension-list. As has been pointed out by the honourable member for Bruce, incapacity from illness is much more frequent than incapacity from wounds. Any one who may remember the lists of officers and men killed, wounded, and invalided in the South African campaign will know quite well that for every man who was killed there were four or five wounded, and for every man wounded there were five or six who were invalided home. In South Africa, unfortunately, there have been great numbers of men who have suffered from pneumonia and malarial fever, diseases which are very liable indeed to recur, as, indeed, is rheumatism, from which we know so many men have suffered in South Africa. The Premier is quite right when he says we must be careful how we allow persons at some remote

they are then suffering from has been caused from exposure during the campaign in South Africa ; but I find, on looking through our own Military Pensions Act of 1886, there is provision for a somewhat analogous case. In subsection (g) of clause 6 it is stated,- " If within the period of five years after a wound has been received an officer does not apply for the pension, or, applying for it, the wound shall not have been proved to be fully and permanently equal to the loss of a limb, such officer's claim to a pension shall not at any subsequent period be entertained." I just mention that subsection as embody- ing the kind of principle we should go upon, and I think we should not be right in insisting that a man should prove permanent injury to his health within a month or two of his return to the colony. It might be laid down that, as a principle, if within a year or two years a man has not established before a competent Medical Board that his health is permanently injured, he shall be debarred from making application at a more remote date. I hope there will be few persons who will be compelled to seek & pension on account of permanent injury to health ; but there are, and there will be, such cases, and it must be realised by everybody that ill-health which comes from disease incurred in a campaign is more frequent than injuries received by wounds. There seems to me to be something approaching almost to a hardship which might be dealt with in the 2nd clause of the Bill of this year, which says,- "The annual allowance payable under sec- tion

twelve of 'The Military Pensions Act, 1866,' shall be payable to the mother of any officer, non-commissioned officer, or private, as therein mentioned, who is not a widow, in any case where her husband is incapable through infirmity of earning his livelihood and she is otherwise lawfully entitled to such allowance." That is distinctly an improvement on the Act as it stands at the present time. But I find, on again referring to the Act of 1866-the principal Act-that this clause will not deal as generously as I think we might deal in particular cases - that is to say, the husband being incapable and the mother, unfortunately, dependent on receipt of an old-age pension, that pension will be taken from her if she is granted a pension consequent on "The Military Pensions Act, 1866," and the amending Acts of last year and this year. Clause 12 of the principal Act provides : - "If the mother shall be herself in receipt of a pension from the Government, or shall have any other provision of any kind from the public, no allowance under this regulation shall be made to her on account of her son unless she relinquish such pension or provision " Under that clause the Premier will see that some unfortunate old woman, who may be entitled to receive a pension on account of the incapacity of her son, may, under the pro- visions of clause 12 of the Act of 1866, have the old-age pension taken away from her and nothing substituted in its place. I think we might afford to be generous, and in a case like account of the death or incapacity of her son might be paid to her as well as the old-age pension. I hope the Premier will consider these matters before finally dealing with the Bill. Mr. PIRANI (Palmerston) .- Sir, I am sur- prised the Premier should not have taken the trouble to study the question before bringing in a Bill on the subject. If he had looked up the Royal Warrant of 1900 he would have got all the information he required, instead of having to postpone the measure. Surely we are not all blind on this subject-a subject personally affecting so many people who cannot speak on their own behalf. The Imperial Go- vernment have recognised the position-the honourable member for Bruce has stated it- and in a Royal Warrant they have dealt with these cases ; and if the Premier had merely got a copy of the Royal Warrant of last year he would have had all the details to enable him to come to a fair conclusion in regard to these cases. To my mind, injury sustained by people owing to illness or sickness is very often much graver than injuries sustained in action, and it seems to me that, as the Home Government have recognised their responsibility in regard to cases where the disability is due to climatic disease or exposure in the field, or disability due to other causes, and give a pension propor- tionate to the injury sustained-proportionate to the ability of the person to earn a living after leaving the service of the State-we might very well adopt the same course. We have been told over and over again-in fact, before the First Contingent was sent away-that the Govern- ment would take care that the men-or their relatives if, unfortunately, anything should happen to the men-would be looked after, and that there would be no niggardliness on the part of the colony ; and, having once taken up that position, I say it is the duty of the colony to foot the bill whatever it is. We know it will not be any great amount ; but the House is in the unfortunate position of not being able to touch this Bill without a Governor's message. If the Premier will refer to what was done in a similar measure last year, he will know that he introduced the Bill into this House and actually carried it without a member having the opportunity of studying the question. Surely he cannot say now it is the fault of the House that there has been any omission to draw attention to what are evidently omissions in the Bill. The matter has been apparently hurriedly dealt with by the Government, and I trust the Premier will carefully look into this matter and see if it is not possible to bring his Act into line with the Imperial Act. The Im- perial Government do not suffer from an excess of liberality in connection with their soldiers. 1 do not suppose there is any worse feature in connection with the administration of the Im- perial Government than the niggardly way in which they recognise the services of the men who uphold the honour of the country, and in many cases maintain Great Britain's position as it is at present. Surely it is a reflection on

that people are able to say we are more sparing in recognising what has been done by her own sons in

South Africa than the Imperial Govern- ment in connection with its dealings with its soldiers. I hope the Premier will get a copy of the Royal Warrant and put our own legislation at least on equal lines with the regulations which are in force in the Old Country. Mr. BARCLAY (Dunedin City) .- I desire, in connection with this measure, to bring under the notice of the Premier a case for which I should like to see some provision made in this Pensions Bill. The case is this-it occurred in my own city : A member of one of our con- tingents met his death. He had a mother and a father living, and also brothers and sisters. He was in the habit of keeping the family going by his earnings when he was in New Zealand. When he went away he left an order on his pay, and that kept the family going also. When he died that source of revenue was stopped. The father is an elderly man and could not make very much-I think, about 208. to 25s. a week at the outside. In the family there were two grown-up daughters who were invalids, and the result was, when the son was lost, the family were placed in very distressing circumstances indeed. Now, it appears to me that a case of that sort is one that some provision might very fairly be made for under this Bill. May I suggest that in clause 2 we ought to insert, after the word " livelihood," in the sixteenth line, these words : " or where the mother as aforesaid was dependent upon the earnings or pay of the said officer, non-commissioned officer, or private"? Then the clause would read,- "The annual allowance payable under section twelve of 'The Military Pensions Act, 1866,' shall be payable to the mother of any officer, non-commissioned officer, or private, as therein mentioned, who is not a widow, in any case where her husband is incapable through in- firmity of earning his livelihood, or where the mother as aforesaid was dependent on the earnings or pay of the said officer, non-commis- sioned officer, or private, and she is otherwise lawfully entitled to such allowance." The words I have suggested would, I think, meet such a case as I have referred to, and I think the House will probably agree -- and I hope that the Premier will see it in the same light- that such an amendment will be proper. Mr. HERRIES .- Supposing the husband and wife have been separated ? Mr. BARCLAY .- Then the husband will have to contribute to the wife in any case. Mr. HERRIES .-- Supposing the husband has cleared out. Mr. BARCLAY .- Then the woman would be entitled under this clause. Mr. HERRIES (Bay of Plenty) .- It seems to me that the honourable member for Dunedin City has made a very sensible suggestion, and in Committee I, for one, will heartily support it, for without it this clause 2 will hardly have any effect. It is very seldom that any husband is quite incapable of earning something, unless he is a charge on the State or in receipt of an Mr. Pirani very husband may be a charge on the State, and the pension that comes under this clause might be swamped in supporting the husband, who might be in some Government institution, who might sue under the Destitute Persons Act, and the wife might have to pay the whole of the pension to some Government institution ; ; or else the wife might lose her old-age pension in consequence of the provisions under this Act. \-- I think that this pension, if granted to these 1 wives, should be inalienable, and not be able to be sued on under the Destitute Persons Act. But, Sir, I have to complain about the meagre- ness of the whole way in which we are treating : the returned contingenters. Now, Sir, last session we re-enacted a statute made in 1866. What was considered right in 1866 is considered right also in these enlightened times of 1900 and 1901. And, Sir, not content with re-enact- ing the clause of 1866, we made it still more meagre, because we did not include the rela- tives included in the Act of 1866. Now, the Act of 1866 provided for a pension to the sister. Clause 13 of the Act of 1866 says,- " If such officer, non-commissioned officer, or private shall have left no widow, child, nor mother, but shall have left a sister or sisters, being orphans, having no parent nor surviving brother, and having been dependent for support upon the deceased officer, non-commissioned officer, or private, an allowance equal to the ordinary rate of widow's pension may be granted to such sister or to such sisters collec- tively under extraordinary and special circum- stances, to be judged of by the Governor, but the allowance in such case shall cease when the \--- person receiving it shall marry or shall be in any other manner sufficiently provided for." Now, that is a very humane principle, and a principle the necessity for which the honour- able member for

Dunedin City has pointed out; and this, which was enacted in those old and effete times of 1866, is not re-enacted in the Act of 1900, for what reason I do not know. The Act of 1900 only applies to the widow, child, or mother. A sister, even though she may be an orphan and dependent on the person who is killed or dies, is not allowed to get any- thing out of the pension. This was pointed out at the time to the Right Hon. the Premier, but he still went on and refused to put " sister ' in the Bill. And, as the honourable member for Dunedin City has pointed out, there are cases where sisters are dependent on the person who is killed, and it is now found they have no claim on the State. Now, I want to know why our soldiers who went to the front are to be treated any worse than the soldiers who fought in the Maori War. I believe they ought to be put on a better footing, because our soldiers of 1866 in the Maori War were fighting for the hearths and homes and in defence of their own country, whereas our contingents who went to South Africa were concerned in a quarrel which really did not affect them ; they went for the honour and glory of the British flag to & foreign country, and incurred more danger to health than those who fought for New Zealand.

rogate from the actions of those who fought in New Zealand, because no men were more heroic than those who fought in the early Maori War. I say the time has changed, and that the pensions altogether ought to be on a higher scale. I do not consider a scale such as is in the Military Pensions Act, of a private from 1s. 6d. to 3s., is a sufficient inducement or recompense for men who " have lost two limbs or both eyes from wounds, or being so severely wounded as to be totally incapable of earning a livelihood, and to require the assistance and care of some other person." These are in the first class, whereas the third degree, who are men "able to contribute towards earning a livelihood, although rendered by wounds unfit for the ordinary duties of a soldier," only get 8d. to 2s. Of course, we all know the minimum is what will be taken, and these men will get 8d., and not 2s. I say that is not a worthy payment to give to our soldiers at this time, and I can- not understand why the omission was made of the sisters in the Act of 1900. Now we come to the Bill, and I will ask the Premier, What is the use of putting these schedules to these Bills ? I can understand putting in the schedules of names and the numbers of the men, but to put in a schedule of the next-of-kin I cannot under- stand, because I believe it can be argued that the next-of kin represent the relatives ; and, being in the Bill as a schedule which is part of the Bill, it may be argued that no other relatives than those named in the schedule can obtain pen- sions in case of the death of the contingenter. Mr. SEDDON .- Only for purposes of identifi- cation. Mr. HERRIES. - In all military matters the #cc-zero name and number is quite sufficient identifica- tion for the rank and file. Surely it is not in- tended to exclude any other relations except those mentioned in the schedule. I thought it was a mistake last session that the Bill was encumbered with a schedule of the names of the next-of-kin. I remember last session the member for Mataura pointed out a great many errors and omissions in the Southland district, and, if that is so, there must be a large number of errors in the names of the next-of-kin of the . men coming from other parts of the colony. If there are any errors in the schedule they may affect any claims that may be made. For in- stance, supposing the name of the next-of-kin is spelt wrongly, or a wrong address is given, the consequence may be that it might be con- tended that such person is not entitled to the pension, and the Government may refuse to grant the pension. I do not think the schedule of the next-of-kin ought to be in the Bill at all. It is only confusing things. The Premier has said that it is only for the purpose of identifica- tion ; but I say, if the number of a soldier and the place where he comes from is not sufficient identification in a colony like New Zealand, I do not know what is. The next-of-kin, as I have said, who are rightly entitled to a pension under this Act, may be refused a pension in conse- quence of their not being in the schedule as the next-of-kin. in which there are no next-of-kin at all in the schedule. Mr. HERRIES. - Yes ; and it may be possible that when a next-of-kin does apply the applica- tion may be refused for the reason that the name is not in the schedule. We know what red-tape means. We know the

difficulty that some of the men have had in getting the money which they have hardly earned. I have heard of cases of several men of the First Contingent who have been unable to get their back pay, and all through red-tape. Well, when the pen- sions come to be applied for the same red-tape may come in, and it may be said, " You are not in the schedule of the next-of-kin, and there- fore you can have no right to claim a pension." I do not think the next-of-kin should be put in at all. I do not know whether I can move to strike it out in Committee. That is the mis- fortune of having these Bills brought down by Governor's message. We are so bound and tied up by the rules of the House that, as happened the other evening, the Chairman of Committees had to rule against himself in moving a clause. I trust the Premier will find out whether this next-of-kin list has any legal effect or not. It is part of the Bill, and I believe it has a legal effect. I believe it defines the next-of-kin who are entitled to claim the pensions. An Hon. MEMBER .- Where is that mentioned as to the next-of-kin ? Mr. HERRIES .- In the schedule. An Hon. MEMBER .-- What are they there for ? Mr. HERRIES .- The Premier says they are there for identification, but I say it fixes them as the next-of-kin and the proper claimants for the pension in the case of death or maiming of any of the troopers. I hope the Premier will take into consideration this question. I intend to move to strike out the next-of-kin if I can when the schedule comes before the House, and I trust the Premier will consent to that, because it seems to me only to encumber the Act, and it may lead to complication. I hope the Premier will consult with the Law Officers on this subject. Mr. MONK (Waitemata). - This measure which we now have before the House has brought to my mind memories of the past, memories of what occurred about this time last session. I remember when the Hon. the Premier introduced a similar measure to this at a rather late hour - nearly two a.m .- I re- I felt exceedingly sick, and I monstrated. made a speech then that for some time after- wards I thought would be the last speech I should ever be privileged to make in this House, and I think the Premier used some unkind ex- pression about the sting, like a lady's postscript, being at the end, or something of that sort ; but when I received my Hansard proof I could discover nothing unreasonable in it. But be- fore I remind him of that speech I would men- tion to him the experience we are having in parliamentary Committees of the continuous application of petitioners from the remains of the Defence Force-soldiers who risked, and in

defence of our own homes, and in protecting us during a crisis of great danger. An Hon. MEMBER .- How could men who lost their lives apply for pensions ? Mr. MONK .- I did not say so. An Hon. MEMBER .- You said that some of those who had lost their lives were petitioning. Mr. MONK .- No, Sir : I said that our ex- perience on the Committee has been that we are continuously being pressed with petitions from the remains of contingents, or of soldiers who fought energetically for our lives and our homes when we were in much peril. Many soldiers lost their lives, and those remaining are now petitioning us. Sir, one of the most remarkable instances of error in a Ministerial appointment has been in connection with the Commission that went round investigating the claims of the old soldiers. Many did not get or did not notice that the Commission was going round to hear the statements of those who had claims to prefer, and, in consequence of that and carelessness of the Commissioners, the inquiry has proved eminently futile. Mr. DEPUTY-SPEAKER. - I think this opens out a debate on another question, and cannot be permitted. Mr. MONK .- I think, Sir, by alluding to the manner in which we served those soldiers, to whom we are under special obligations, it would make us all the more careful in making arrangements to suitably acknowledge the services of those who, while they have not been risking their lives immediately on our behalf, have at the same time brought historic eminence to the people of New Zea- land, and have made a place in our history as & commencement, so to speak, of the military spirit that for right purposes we hope our race will ever be distinguished, and the ability to defend ourselves and make worthy mark on the battle- field. But what I wish now particularly to call the attention of the Premier to is the request I put forth this time last year that the medal,-the souvenir commemorating the assistance our contingents have

rendered in South Africa, - should be a work of merit. I have not seen one of those medals, but I have heard they have not that character which I should like them to have possessed to convey to the mind of the beholder with sufficient vividness the historic importance of the epoch upon which New Zealand has engraved the annals of the special relations that her people have established be- twixt themselves and the Mother-country. As I said last session, I should like the presenta- tion to have come from Her Majesty the Queen, bestowed like a noble mother decking the brow of a loved daughter with the chaplet of her approval. . Least of all should it have been merely suggestive of war, but so significant that with the roll of years it shall become more and more a treasured gift, resolving itself into a prized feature of our Imperial heraldry, a character which the medals awarded to the first New-Zealanders, who have made them. selves famous on the battle-field, do not possess. Mr. Monk There is one of our Standing Orders which says that repetition is to be avoided. I understand the honourable gentleman is reading a speech of last session. Mr. MONK .- I am quoting. Mr. SEDDON .- I ask whether it is com- petent for the honourable member to do that, because it will save me a lot of trouble in the future if I am allowed to do the same thing. Mr. DEPUTY-SPEAKER .- It has always been & practice to quote from speeches de- livered, and I understand the honourable mem- ber is simply quoting portions of the speech referred to. Mr. MONK .- I have a special object 12.0. in bringing the matter before the Pre- mier, because I consider the medal as part of the pension, and my opinion on the matter is as I have just stated. I want a memento so beautiful in its constructions and expressive in its design that it shall be for all time a stirring memento of a great historic event. I am sorry the Premier is, apparently, indifferent to the sentiment of the subject. I repeat that long ere this he ought to have laid before the House a beautiful work of art that would have been more valuable in years to come than it is to-day. The common medals that are being distributed are unequal to the occasion. Mr. DEPUTY-SPEAKER .- I must tell the honourable gentleman he is introducing irrele- vant matter. Mr. MONK. - I accept your ruling, Sir. However, I hope I have said enough to con- vince the Premier that he should take steps, even at this late hour, to secure a souvenir that might be handed to the men with credit to the colony. I have much pleasure in supporting the Bill. I am glad the Premier is recording the names of all those who have fought for the Empire in South Africa-making an historic document and record of the names of those who have made this colony famous. We all know our New-Zealanders have won encomiums from the military chiefs of the parent State. Our representatives have made New Zealand famous and more talked of than all the publica- tions the Right Hon. the Premier could have secured in the Review of Reviews, and this end they have secured by their helpful deeds. Remember that they were Volunteers that went forth at the impulse of a martial spirit and the love of adventure. Sir, no doubt this measure will impose some burden on the colony, but of all the burdens now cast upon the taxpayers I believe they will meet with the greatest pleasure that which will insure a relief to some extent of the needs of those who have suffered in the war. There is many a sorrow- stricken heart in the country. I know some who have lost their dearest ones. There are many homes in this country that mourn the loss of their loved ones - those who went away in an adventurous spirit, little recking that the bullet on the battle-field would lay them low. Their sufferings may have been slight as com- pared with those of the parents who weep over their fate. Those who have been left behind

moved last evening, as, if they had gone on & in honour of the dead, should give more than a little slower, I might possibly have come to a mere pittance to mitigate the anguish of those close, and you would not have now the infliction who have lost those who were dear to them. Mr. WITHEFORD (Auckland City) .- I com- of a second edition of my speech. However, honourable gentlemen will, I dare say, notice pliment the Premier upon the introduction of this Bill. I shall support it, believing it to be that since then I have put some amendments on the Order Paper, which I think, if carried, in the right direction. That is all I think it is would greatly improve the Act. The first one necessary for me to say. is as follows :- Bill read a second

time. The House adjourned at twenty-five minutes refers exclusively to the election of the Chair- past twelve o'clock a.m. man of the Conciliation Board is hereby re- pealed, and the following substituted : 'The Chairman of every Conciliation Board shall be # LEGISLATIVE COUNCIL. a Stipendiary Magistrate.' " Friday, 25th October, 1901. clause, and ought to be acceptable in its present form. But, putting that point aside, of course, First Readings-Third Reading-The Watson Fine of £500-Industrial Conciliation and Arbitration honourable members will see that what I am Bill. aiming at is to place a Stipendiary Magistrate The Hon. the SPEAKER took the chair at as Chairman of the Board of Conciliation. I half-past two o'clock. think that those who are in favour of retaining these Boards ought to vote most heartily for PRAYERS. this clause, for the reason that it will raise the # FIRST READINGS. status and improve the position of the Boards. Patea Harbour Bill, Coal-mines Bill, Pariroa At the present time the State has no voice in Native Reserve Bill, Templeton Domain Board these Boards, only that it pays all the expenses ; Empowering Bill, Borough of Mornington and where the State has to incur the expense Tramways Bill, Dunedin Waterworks Extension it appears to me to be fair and reasonable that Bill, Lyttelton Borough Council Empowering the State should have some officer in connec- Bill, City of Auckland Loans Consolidation and tion with the institution. That is one of the Auckland City Borrowing Bill, Kairanga County reasons ; but perhaps the greatest and first is Bill, Hokitika Harbour Board Endowment Bill, the fact that the Stipendiary Magistrate would Featherston County Bill, Wesleyan Church have no inducement to prolong the sittings. Reserve Vesting Bill (No. 2), Ocean Beach We know what human nature is, and at the Public Domain Bill, Borough of Mataura Loan present time it is a great temptation to human Validation Bill, Greytown Reserves Vesting nature to prolong the sittings for the sake of and Disposal Enabling Bill, Canterbury College the remuneration connected therewith. Now, the Stipendiary Magistrate would have no Empowering Bill, Palmerston North Reserves Bill, Kiwitea County Council Offices Bill such temptation. He would have an annual Egmont County Bill (No. 2), Gore Cemetery salary, and he would not be dependent Reserve Vesting and Enabling Bill, Masterton on the fees obtainable from those sittings, Public Park Management Bill, Inch Clutha and consequently he would do his best to Road, River, and Drainage Bill. expedite matters. Then, the Boards would have the advantage of a gentleman accus- # THIRD READING. tomed to take evidence in a proper way, and to Inspection of Machinery Bill. sift and weigh it carefully, and he would be more likely to be removed from prejudices and THE WATSON FINE OF $500. to conduct the proceedings of the Board more The Hon. Mr. RIGG asked the Hon. the carefully than an ordinary layman would. I Speaker, If a reply has been received to the understand that in some cases-Dunedin, for instance-the Chairman of the Board of Con- following resolution of the Council of the 10th October : " That the Right Hon. the Premier ciliation is a lawyer, and I am told that that be asked to secure the sanction of Parliament to is a model Board. Well, no doubt, honourable the payment of the £500 Watson fine to the gentlemen from Dunedin who have experience library " ; and, if so, will he inform the Council of this Board will probably think that it is of the nature of the reply ? better to retain their better system than The Hon. the SPEAKER might state the the innovation which I propose. Honourable gentlemen will not, I hope, disregard the honourable gentleman's resolution was for- rest of the colony because things have been warded in the usual way according to Standing done so successfully in Dunedin. What we Order No. 73, but no reply had yet been re- want is that the whole of the colony should ceived. have a proper system, and that system we INDUSTRIAL CONCILIATION AND would have, I think, by appointing a Stipen- ARBITRATION BILL. diary Magistrate. Then, Sir, I come to the 2nd clause which I am going to propose :- ADJOURNED DEBATE. The Hon. Mr. TWOMEY .- Mr. Speaker, I dare say honourable gentlemen will regret the hereby amended as follows :- " Every section of the principal Act which That, I think, is a strong and vigorous "6B. Section fifty-one of the principal Act is

shall be experts in the particular trade under dispute (other than the Chairman) ' are hereby repealed." I

suppose honourable members will under- stand the full meaning of this. The objection raised by the unionists against clause 6 in the Bill is that it provides for experts only being put on the Boards of Conciliators : that those experts must be drawn from the particular trade in dispute; that under those circumstances employés would be put on the Boards, and that these employes would be marked men, and would consequently suffer. I have great sym- pathy with that idea, and I think, myself, that there is certainly a risk of punishment being in- flicted, and that is the reason I have proposed to strike out these words so as to give trade- unionists the right to put whoever they like on the Boards of Conciliators. That, I think, would remove all the objections to the clause which they now have. Then, Sir, I propose- "(2.) The Chairman of every such Board shall be a Stipendiary Magistrate. "(3.) Every such Board shall hold its sittings in the place deemed most convenient for the parties to the dispute." Honourable gentlemen will see that that is a very desirable thing. We are every day extending the operations of this Act until it reaches every section of society, and it is cer- tainly an undesirable thing that people from all parts of an industrial district may be sum- moned at the same time to the centre in which the Board or Court is sitting. I have seen in Christchurch the employers in about a couple of dozen trades and occupations brought from all parts of Canterbury, and for weeks and weeks they were waiting for an award to be given. That is certainly a very serious posi- tion, and what I want under these proposals is the appointment of a special Board of Concilia- tors under the Presidency of a Stipendiary Magistrate, who could deal locally with local disputes. That, I think, would be a very great advantage, and that is my reason for moving these amendments. I may say that I have consulted with some of the most advanced members of the Lower House, and they see no objection to these proposals. In fact, they think it will be a great improvement. I was proceeding yesterday to speak about the limi- tation of awards. What this Bill proposes is to give discretionary power to the Board or to the Court as to how they shall deal with certain avocations. I do not suppose that trade-union- ists have any desire to crush any industry, because the more they crushed industries the more the field of labour would be contracted, and the opportunities of the labourer would be lessened. It would be altogether to their dis- advantage, consequently, to do anything that would crush out any industry, as the more means of labour there is the better chance the workmen have of getting employment. Now, then, what this new clause proposes is that the Board or the Court shall, after having heard tho evidence and weighed the matter, have discretion as to whether they shall extend or Hon. Mr. Twomey I will give you an illustration of this. Take, for instance, here in Wellington : the rent of a worker's house is something like 15s. a week. Any decent worker must pay 15s. a week here, and more, as an honourable gentleman says ; but in Temuka you can get a decent workers' house at 5s. or 6s. a week. If you want to fix a minimum wage, there you have a differ- ence of 10s. a week in the rent alone- the man at Temuka has an advantage of 10s. a week. Industry here in Wellington, too, has a better chance of growing pro- sperous. There is a large population here, and a small population at Temuka. A newspaper there, for instance, cannot possibly, under any circumstances, be so prosperous as it can be in Wellington. I am speaking of what I know best. The same will apply to any industry, but take a newspaper. If a newspaper in Temuka had to pay the same rate of wages as a Welling- ton paper it could not do it, yet there would be a difference of 10s. per week on rent alone as compared with the wages in Wellington. Why should not the Court, in taking everything into consideration, take these things into considera- tion and give its award accordingly. The ob- ject, it appears to me, of the Court is to fix a living-wage, so that nobody is so crushed down that he or she has not a decent living. That appears to me to be the object of the measure and of the Court, and I think it is fair, and right, and reasonable that the Court should have discretionary powers, and should use those discretionary powers in making an award. The Hon. Mr. Rigg said that the Act was in the interests of the good employer, and I entirely agree with him; and here I will ask permis- sion of the Council to make some digression. I have been what you may call practically a neighbouring newspaper proprietor to the Hon. Mr. Jones for nearly a quarter of a century. I have been

intimately acquainted with him ; I have known all about his business, and how he has conducted it; and I say with- out hesitation that there is no better em ployer in the printing trade that I have ever been acquainted with than the Hon. Mr. Jones. I think I ought to say this, owing to my absence upon a certain occasion. It is a matter I know of, and I think it is only fair and right that this justice should be done to the honourable gentleman. But all employers are not like the Hon. Mr. Jones ; all employers are not good. All this labour trouble was brought on us originally by a man who came from Home and started "sweating" in Dunedin. It is not necessary for me to go through the history of that. Honourable gentlemen are perfectly acquainted with it, and consequently there is no need for me to dwell on it ; but that was the origin of the strikes and of the labour troubles in this colony. Now, what hap- pened then may happen again, and it is to the advantage of all that all should pay rea- sonable wages, and that when industries have to compete with each other they should compete with each other on even and honest conditions. I say, therefore, that this Act is absolutely in

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that it is a splendid Act if it is properly ad- ministered, and I say still further that I think there is an excellent administrator at the head of the Arbitration Court at the present time. The greatest friend of this Act is the man who takes care to keep the aggressiveness of the labour party in check. I do not think the labour party are worse than any other people, but there is something in human nature which impels people to secure all the advantages they can for themselves. For instance, I got a cir- cular letter the other day from the Farmers' Union demanding that they should not be brought under the Workers' Compensation for Accidents Act. Now, that demand is more unreasonable than anything the trade-unions have demanded. The reason and object of that Act is to make every industry pay for its own accidents; and, that being so, why should the farmers demand immunity from its provisions? I only refer to that to show that, like every other body, the trade-unions are likely to ask for more than it is possible to give them. That is the point. They will ask for more than it is possible to give them, and the business of the Court is to stand up fairly between the two parties and hold the balance evenly and justly. In my opinion, those who will do that will be the best friends of the labour party and the best friends of the In- dustrial Conciliation and Arbitration Act. I suppose I shall be like other people-put down as a hide-bound Tory in this Council. Very well ; it is hard for the man who tries to do the even, fair, honest thing to escape being called ugly names. When I vote for the Government measures I am called a sycophant. When I vote against them I am a hide-bound Tory, and so it is difficult for me to escape being called ugly names under any circumstances. The Hon. Mr. L. WALKER. - What is a Tory ? The Hon. Mr. TWOMEY .- I have not a dictionary handy just now, and am no good at giving definitions off-hand, but I think there is not so much difference between us on this point that we need start splitting straws on them. My conception of my duty is to try to do the best and most honest, the fairest and most just thing in the interests of all. I think it is the interests of all that we ought to study. I do not wish to see the hopes of the Hon. Mr. Rigg realised when he told us here yesterday that, after the next election, the labour party would monopolize -the whole of the other House, I suppose he meant. The Hon. Mr. RIGG .- I said the day is not far distant. The Hon. Mr. TWOMEY .- Well, distant or not distant, I would regret to see any section or party or class monopolizing the making of the laws of this colony. There was a time when it used to be an axiom that it was better to be governed from the head than from the feet. This meant, of course, that it was better to be governed by an aristocracy than a democracy ; but, so far as I am con- cerned, I prefer a combination of the head shall exercise intelligence, and energy, and human sympathy. That is what I hope to see. I hope the country will not be so mad as to send in one class exclusively to Parliament. It would be a bad day for that class, and a bad day for the country, if ever such a thing came about. Now, there is no reason why that class should not be represented here; and, although the so-called labour members here, who are supposed to be exclusively labour members, are not so numerous, let us remember that a great part of both Houses of Parliament

have risen from the ranks of labour at some time or another, and have not alienated their sympa- thies altogether from the labour body yet. So that at the present time labour is better represented in these Houses than appears on the surface. Now, Sir, I think that I have exhausted myself, and the only thing that I would ask honourable gentlemen to do is to give fair and reasonable consideration to the amendments that I have proposed, for I think they would be found a great improve- ment on the present law. They would raise the status of the Boards of Conciliation ; they would give people much greater con- fidence in them, and they would give far more satisfactory results. Of course, honourable gentlemen, I suppose, will not think that I expect the 1st clause to be carried in its present shape. I put it there to draw attention to the matter, so that if it was desirable it could be put in proper form and included in the Bill. My object is to draw attention to it, and I think that that would be the best system -- a system under which the Stipendiary Magis- trate presides over this Conciliation Board, and it would be more in conformity with all our other Courts than as it is at present. The Hon. Mr. PINKERTON .- I have only a few sentences to say, but I wish not to be misunderstood. I may say I rather approve of the provisions of the present Bill, and for several reasons. I rather think that, as the trade-unions were really responsible for the legislation we have, they should not endeavour to take themselves outside the provisions of the Act. I think, Sir, all that is required to bring them under the provisions of the Act is to be- come registered as industrial unions, and surely there is no hardship in them doing that. If they are brought in now under this Act they are liable to the penalties, and have no right of initiation. They can easily gain for themselves the right of initiation by registering as indus- trial unions. They do that now as far as my knowledge goes, and no union I know anything at all about would care to free itself from this position, and wish to bring about a state of things which would be disastrous to trade- unions and the workers generally. I say, there- fore, I approve of this section of the Bill as far as it goes. With regard to myself, I have no wish to destroy the Conciliation Boards, but they are not Conciliation Boards as at pre- sent constituted. They are Boards of Concilia- tion with limited power. And if they are Boards of Conciliation with limited powers, why not
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It has been shown by the number of cases settled in and the number of cases carried to the Arbitration Court that the majority of those who have disputes wish to go to the Arbitration Court rather than to the Conciliation Board, because they get their dispute settled in less time, the expense would be less, and the de- cisions would be final. So, therefore, I think we will do well to allow the parties to a dispute the option of going to whichever tribunal they wish, either the Arbitration Court or the Con- ciliation Board. Then, Sir, the next ques- tion arises, Can either party take them there? I say, Yes; and that should be the case now. What happens at present ? One party can take them to the Conciliation Board. They must go there if one party to the dispute says so ; and if the Conciliation Board has not settled a dispute to the satisfaction of one of the parties the matter is sent to the Arbitration Court. Why cannot one party take the matter to the Arbitration Court, instead of the Act requiring the dispute to be sent there from the Conciliation Board? My idea is that when disputes go to the Conciliation Board they have passed the conciliation stage, and have gone to the fighting stage ; and when they have reached the fighting stage you should take them at once to the final and deciding Court. My idea of a Conciliation Board is that the Government should appoint an independent Chairman, but that each party to the dispute ought to select its own members-it may be persons connected with the trade or not -- and that these delegates should discuss the matters in dispute across the table, and, if necessary, refer any point of difference between them to an independent Chairman. In many cases I have seen this course followed, and I have been a party along with others who have settled disputes in this way that never became public. My honour- able friend Mr. Jennings and myself once had a little experience of that. That is the time for conciliation, and not when it has reached the stage that it goes before the Conciliation Boards. The Conciliation Board as at present constituted has proved a failure, and I think we in Dunedin, who have the best Board in the country, have not settled

many cases-a great many have gone to the Arbitration Court. Well, we should go direct to the Arbitration Court, or give the parties the option of saying which Court they will go to. If that option is given, and the Arbitration Court can be gone to direct, disputes will be settled quicker and at far less cost than now. I think we shall do well if we retain that clause which gives either party the right to go to the Arbi- tration Court at once. Then, we have heard a great deal about these marked men, and it is said that if the experts appointed in a dis- pute belong to that particular trade they will suffer. That has not been my experience. admit at once there have been instances of it ; but my opinion is that if any one in a trade would have been a marked man I would have been, and that has not been the case. I have been both an employer and an employé, and Hon. Mr. Pinkerton back to the bench again, would give me work to-morrow and make me welcome. I refer to the firm of A. and T. Inglis, of Dunedin, one of the best employers in the country. I had a dispute there once. It did not affect the rest of the employés, and I fought it through, and I had the respect of the firm and the men. I think the marked-man busi- ness has gone a little too far. I admit this : that in the days gone by, before trade-union- ism was as far advanced as now, persons who took a prominent part in the promotion of unionism were marked men ; but that time has gone by. Unions think they ought to have the right to say whether it shall be their men or some one outside the particular union. I can remember a case in which a dispute was settled by the Hon. Mr. Jennings and myself, and neither of us belonged to the particular union. It was settled in a way satisfactory to the employer and the employés. If you take the number of cases that have gone before the Conciliation Boards you will find that the great majority of cases have had to go on to the Arbitration Court. An Hon. MEMBER .- The Conciliation Boards. have settled points. The Hon. Mr. PINKERTON .- These points could just as well have been settled by the. Arbitration Court. The gentlemen of that Court are men of experience. The Judge at the head of it is accustomed to take evidence, and he knows when the parties are going too far. That gentleman, I am convinced, would not like things to go on for weeks and weeks, and state- ments to be made that do harm. Disputes would be quicker and better settled before the Arbitration Court. Now, Sir, long before the Conciliation Board or the present labour laws came into existence the bootmakers and tailoresses had Boards of their own, and they referred disputes to these Boards, and in almost every case they were settled to the satisfaction of both parties ; but since the present Concilia- tion Boards were set up trouble arose, and they have not been so satisfactorily settled since that time. While I do not advocate the setting. up of special or private Boards, as in this Bill, I think something might be done to reduce the amount of friction and trouble caused by the various disputes, and the roundabout and cumbrous way they have to go about them. It has been said that awards run for two years, and a renewal is desired, and that, before a renewal can be obtained, unless they come to some settlement themselves they have to go through all this trouble again. Why should that be ? Surely the Arbitration Court is quite able to settle all these things. I think that the parties to a dispute might have the option to say to which Court they will go, and I venture to say this : that, given that option, in almost every case they will go direct to the Arbitration I Court. We have also been told that certain employers will not settle matters. It does not matter which party refuses, either party has the right to say, " You shall go to that Court." Surely that is far better than it is when we

object of this legislation has been to do away with the brute-force argument. I am not closely connected with unionists, but at one time I knew them well. I have been a unionist since I was twenty years of age, and I have great sympathy with them now; but as far as I know unionists they do not want strikes. But in the past it was a question of going on strike or being re- duced to whatever the employer said. The employés want to have some voice in selling their labour. You hear from time to time the complaint that the workers want to "run the show." Workers want to do nothing of the kind ; but establishments and factories cannot be carried on without the services of the workers. and they have the right to say at what

rate of remuneration they shall work for there. That is a liberty they should get. I regard strikes as a system of industrial warfare. That should not be done if we have a better means of settling disputes. Let us have the better means, and the Arbitration Court is the best means that I know of. So far as I am aware, no better means of settling disputes has ever been brought about. I do not wish to make any reflection on the Conciliation Boards, but I will say this : that it has been proved by the number of cases that the Conciliation Boards have sent to the Arbitration Court that the Arbitration Court is the superior Court of the two, and parties to a dispute ought to have the right to say as to which Court they will go. It has been said in the debate that they have reduced the number of points in the disputes. Well, we have no proof of that ; and, even if that is the truth, those points could be reduced by the Arbitration Court, and the disputes, therefore, might just as well go there and be settled in less than half the time and at less than half the cost. I do not know who it was my honourable friend Mr. Twomey referred to, as causing trouble in Dunedin, but I think I know who it is. I shall not men- tion the party's name ; but I may tell you this : that, if I am correct in my surmise as to the person who had caused the trouble in the trade there, he was the means of bringing about the Tailoresses' Union, and he is the man who .suggested the formation of the Tailoresses' Union. I may be wronging him, but I think he said it would be impossible to form a union of women ; but a union of women has been formed very successfully, and is very successfully being carried out. However, that has very little to do with the case, but it has led in a very large measure to the legislation we now have, which has been successful. We now know its weak spots ; let us do away with those weak spots : and my opinion is that the best we have now is the Arbitration Court. Give the parties to the dispute power to take the matter before the Arbitration Court. They have the power now to take it to the Board of Conciliation; why not give them the same power to take it to the Arbitration Court ? They can compel each other to go before the Conciliation Board, and that Board makes a recommendation, and if VOL. CXIX .- 48. Board then says, " You must go to the Arbitra- tion Court." It would be much easier settled by allowing either party to say that they will go to the Arbitration Court direct. It has been said that unionists are being punished. Now, whether that is the case or not I do not know : one never cares to go beyond one's own experi- ence; but if I were to give my own experi- ence-and I have been a prominent member of trades-unions - I would say that I have never suffered in consequence of it. I will tell you how people have suffered. They get abusive and offensive; they say something that is disagreeable, and because of these re- marks they suffer. I do not know in all my experience that I have ever known a trades- unionist suffer who went calmly and dispassion- ately to his employer and voiced the opinions of the workers or of the union men. As I have said, I have never suffered personally. The last employers I had were Messrs. A. and T. Inglis, of Dunedin, and the managing partner of that firm told me that if ever I wanted work he hoped I would go back to his firm. 1 believe that applies to nearly everybody, and that people are well content to be reasonable and to work with trades-unionists. The Hon. Mr. BOLT .- Sir, the Bill we have before us goes to show that Conciliation Boards are on their trial. I am one of those who would like to say a word or so on behalf of the Boards. I am not ready to agree with the statement that they have been failures or have failed to do good work. I am not prepared to express an opinion as to what has been the conduct of the Wellington Board. Beyond the statement of its Chairman in the Committee-room, and the return presented to us the other day, I know nothing about it ; but I venture to make this statement : that had it not been for the publica- tion of the reports concerning that Board we should not have had a word said against Con- ciliation Boards to-day. In Auckland, Dunedin, and Christchurch it has been publicly recog- nised that they have done excellent work, and I am very much afraid that if we take the conciliation principle out of this Act-and that is what we are doing-and let all the parties go direct to the Court, it is only then that we shall come to understand the value of our Conciliation Boards. As a fact, the Conciliation Boards have to bear the first brunt of bad feeling between the parties. They have to take the parties when they are heated with the

dispute in which they are en- gaged, and, apart from the merits of the dispute, they have got to allay that feeling ; and before they have done I think-at any rate, in a great many instances-that feeling is allayed, the points of dispute are narrowed, and there is a better spirit between the parties when they come before the Court. I think there is no doubt that, apart from the fact that the bitter feeling bas been allayed, there is a reduction of the work, which in itself must be very valu- able. Now, what is it that the Bill contem- plates ? It contemplates not only to do away with the Conciliation Boards and to send the
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also contemplates narrowing the areas of the awards, which I believe will multiply the work of the Court to an enormous extent. There- fore you are not only doing away with the Conciliation Boards, but you are otherwise doubling the work of the Arbitration Court. I very much question if that is a proper course to take. I think the Conciliation Boards have done excellent work in the past, and that if we had turned our atten- tion to the better constitution of the Boards, instead of undermining them in this way, we should be doing better work. If we think the Boards are not proper bodies to be in the Act, then we should have the courage to abolish them. There is no doubt that under clause 6, which provides for special Boards-and that either party may have a special Board if so desired-a great change will be made in the existing law. I think it is certain there will hardly be a case but some one or other of the parties connected with it will make a request that the case should be tried by some particular man or body of men, and that, of course, would take the case away from the Conciliation Board. Also, the same would be the case in regard to clause 21. It would have exactly the same effect. Any one might avoid the Board alto- gether, and take the case direct to the Court. If any of these clauses are put in, unquestion- ably the present Conciliation Boards might as well be done away with altogether. It is said that it is not wise to appeal to brute force ; but I would point out that we are going in the direction of appealing to brute force when we go direct to the Arbitration Court. It is well known that there is no law of any effect without there is force behind it, and when you are doing away with the Conciliation Boards you are taking the first step towards the application of force. My honourable friend Mr. Pinkerton points out that there have been various cases in the boot industry in which these unions were successful in getting disputes settled with the employers. I have not doubt there were. Many disputes have been so settled, but I never yet heard of a dispute being settled in that way unless it was a strong union that the employers had to deal with. Now, with regard to trades-unions desiring to contract themselves out of this measure, I am certainly surprised to hear it, and I regret exceedingly that trades-unions have not more faith in the Act which they hailed so enthusiastically some seven years ago. I cannot see that they are under any disad- vantage in being put into the Act. It is stated by them that it is a hardship that they should be made to be parties to agreements when they had no word or say in the matter of the dispute. I would point out to them that if they had no word or say in the matter of the dispute they are really themselves to blame, and no one else. All that is required for them to do to make them parties to a dispute is to register themselves as unions under the Act. I appre- hend, however, that this Act was never intended to be in any way coercive, and if we put trades- Hon. Mr. Bolt parties in a dispute we indirectly compel them to register. Now, I, personally, shall be quite satisfied if they are made parties to the dispute as proposed by the proposal of the Hon. Mr. Rigg ; but I say this : that certainly trades- unions should go into the Act and be made parties to the dispute if it is thought proper. The Bill as it comes down from the Committee, with the exception of clause 21, will, in my view, be a great improvement on the present law ; but clause 21 will, I hope, be struck out. With the other amendments made in the Committee I agree, and I hope they will be carried by the Council. The Hon. Mr. BOWEN .- Sir, when this conciliation and arbitration policy was first adopted it was recognised that the whole ques- tion was a new one, and that the system was on its trial ; nobody expected that the machinery first set up without any experience would ne- cessarily work smoothly. Changes must take place from time to time if matters are to work well. Many of those who opposed the policy at the time it

was introduced, because they thought that the machinery was crude and unconcilia- tory, have abstained altogether from opposition to necessary amendments, and have endeavoured to make the system work smoothly; and no doubt improvements have been made. I can see, myself, that all parties are likely, after public discussion and practical experience, to take a more intelligent interest in the ad- ministration of the law; they will understand better the principles on which it is based, and will discriminate between those that are false and those which should be maintained. It must now be admitted, after all the experi- ence we have so far gained, that there was a great deal of truth in the feeling of those who urged the necessity of proceeding tenta- tively-who advised the setting-up of true Conciliation Boards, and foretold the danger of a purely compulsory system. So-called Con- ciliation Boards now are working under a shadow of compulsion overhead, and they are not really Conciliation Boards at all : they are merely inferior Courts with less powers, as has been stated by the honourable gentleman oppo- site - not only with less powers, but with less knowledge and experience, and therefore with less chance of doing any good. It appears to me that they are so constituted as to be not Conciliation Boards at all in the sense that was first contemplated ; they are tribunals em- powered to give judgment, often with inferior means of weighing evidence, with irregular and tedious procedure, and sometimes under the guidance of inexperienced judges. The con- sequence is that conciliation in its true sense, which was accepted as the object to be aimed at in 1894 by those who objected to the pro- posed Arbitration Court, was nearly extin- guished by the system established. The pro- posal urged by some of us upon the Hon. Mr. Reeves when he was passing his Bill through the Legislature-the proposal referred to by the Hon. Mr. Rigg-was practically the adoption of the Massachusetts Act, which provided for a.

pulsion in it, an Act which had worked bene- ticially and had prevented a great many dis- putes from coming to the point of a strike in that country. Many other members of this Council besides myself thought that it would be advisable to adopt, as a first tentative measure, the Act which had worked reasonably well in America. But it was decided by a majority that we should act otherwise ; and now what do we find ? We find-I think there is a general consensus of opinion on this point -that more or less the Conciliation Boards have broken down-that they are not a success ; that business is harassed ; that both employers and employed are dragged at all times of the year from one tribunal to the other ; that they are obliged to dance attendance for months together upon them ; that they are made parties to disputes in which they have no interest, and are worried by interference which can be of no advantage to either party to the original quarrel. I cannot see why we should per- petuate 'a system of this sort, and I think it is only a reasonable proposal in the present Bill to give either party to a dispute the option of at once bringing the case before the Court, which has finally to de- termine it. I cannot help taking this oppor- tunity of expressing a strong feeling of regret at the appointment of a Judge of the Supreme Court as Judge of the Arbitration Court. It is a very dangerous departure from the principle that a Judge of the higher Court should not be employed on other business. I do not mean that this innovation threatens danger to the Arbitration Court; but I do mean that it is calculated to affect the dignity and the posi- tion of the Supreme Court of the country. The reason the Supreme Court is held in such high repute amongst English-speaking people is because the Judges are adminis- trators of the law, and of the law only ; they are chosen for their knowledge of law as well as for their high character. One Judge may not be as competent as another ; but there is an appeal from the individual Judge to the Judges collectively. This is why the country has the utmost confidence in the Supreme Court. The Judge lays down the law with scien- tific coolness and impartiality, and the juries help him as to matters of fact ; his judg. ment is liable to supervision and revision by his colleagues, and that gives a gene- ral sense of security and confidence. But you may put any man in the world into the posi- tion of arbitrator, and you will find that he will never hold the position in the public esti- mation that is held by a Judge of the Supreme Court. However well he

may do his work he will be subject to the comments always made on the results of arbitration, which so often amount to a splitting of the difference. It is not right to place a Judge of the Supreme Court in such a position. The lowering of his status in the eyes of the country is a loss to the people and a danger to our liberties. I made this protest at the time such appointments were proposed, and I make it again now-after we have had an system. I believe, myself, that this is a very important matter-far more important than it appears on the surface. We are on the wrong track when we ask a Judge of the Supreme Court to do work which is outside his proper duties. I should not be at all averse to selecting a man of the very highest standing we can tind for this work ; let him bo a lawyer, and, so far as salary goes, let him be placed as high as a Supreme Court Judge : but let him be an Arbitration Court Judge altogether independent of the Supreme Court, and without any voice or seat therein. This question is so urgent as to be worthy of immediate considera- tion, although it does not, perhaps, come within the scope of this Bill. I am very glad to notice, in the discussion that has taken place here, a general desire all round the Council to discuss the question without prejudice, and with an endeavour to seek what is best both for the employer and the employed and for the in- terests of the country. The interests of the country are indeed involved in the smooth working of our factories and industries, for if they do not prosper we shall be overwhelmed with foreign competition ; there will be no room for our own enterprise and no work for our rising population. The only honourable member who seems disinclined to give way at all is our irreconcilable friend opposite, the Hon. Mr. Rigg. He tells us frankly, in that deliberate and decided way in which he speaks -there is no mistaking his views-he tells us that he looks forward to the time when the country will be divided into two camps -employers and employed who will alter- nately rule the roost. What a time it will be! Perhaps I am not doing him justice, for his view apparently is that the employés should always rule, and that the em- ployers should have no voice at all. Is that to be the outlook? I have always understood that it was not well for any country that any interest should be predominant, but that every interest should have its proportionate voice in the government of the State. I should have scarcely thought the honourable gentleman was in earnest if I had not noticed that he generally lets us know what his views are. The honourable gentleman objected to clause 11 and to the amendment proposed therein, and said it would lead to constant revision of what might be done by the Court. Well, Sir, awards must be revised from time to time to a certain extent. Under a system of industrial concilia- tion and arbitration there must be periodical consideration of the changing circumstances in different parts of the country at different times. If disputes are to be managed in the way pro- posed by this legislation, we must provide for consideration not only of the circumstances that arise perhaps from year to year through- out the colony, but of the different circum- stances that may exist at the same time, say, at Auckland and Southland. So that I do not think the honourable gentleman's objection to the clause reasonable. I must just say one word about the return that

the question of expenditure account must be taken of expenditure of time and money of both employers and employed in attending the Courts, and of those who are dragged up as witnesses before the Boards and the Court. I think if all this is considered it will be found that the expense is very much greater than appears in a mere return of Court costs. On the whole, there is a good deal in this Bill which will improve the present state of the law, and I feel sure it will receive a fair consideration in Committee. The Hon. Mr. JONES. - The honourable gentleman who has just sat down has men- tioned, among other things, which I, on the whole, have every sympathy with, that in reckoning the costs of the Conciliation Boards we must include the expenses of those who have to go to attend the sittings of the Board, which will amount to a very considerable sum. Well, if we are going to do that, we must go back also to the days before arbitration and conciliation and reckon the cost of the strikes that have taken place. I am very glad to see that this debate has been remarkable for the friendly feeling that has been shown towards the legislation

which we are now seeking to amend. Strange to say, the most discordant note which has been struck has come from my honourable friend the Hon. Mr. Rigg. But we all know that that honourable gentleman is thorough in one thing at least, and that is with regard to his attitude towards labour questions. And I do not wonder at it. is his end-all and be-all. He has from the first taken up the position of an ardent reformer in regard to labour matters, and, like all other reformers, he is more or less an extremist. But I cannot agree with the honourable gentleman when he expresses an opinion which seems to imply that what we are now doing is going to injure the law of conciliation and arbitration. I believe if we amend the law, as we are now asked to do in the measure before us, we shall very considerably improve it. We would afford the widest choice of tribunals to any person concerned in a dispute, and give the Court the fullest liberty in regard to the limitation or extension of its awards. So far as I can see, these are the two main points we have to deal with in the measure before us. I am one of those who believe that the Arbitration Court might be implicitly trusted to do its duty. It may be regrettable that it is necessary to alter our laws occasionally, if only for the rea- son that it is difficult to know sometimes how we stand in regard to the law upon any particular subject. But, Sir, laws, like living organisms, must justify their existence. They must be adapted to altered circumstances ; they must be changed with changing conditions. They must aim at the highest developments which are possible of attainment. But, for- tunately, we have no very serious task here before us. Our conciliation and arbitration law has operated so satisfactorily in the past that it has elicited the admiration not only of our own colonists and of those more particu- Hon, Mr. Bowen the disputes which have been settled, but also of people in all parts of the civilised world. The Hon. Mr. Ormond, however, in my opinion, indicated a blot in the existing legislation. His criticisms of the Wellington Conciliation Board were warranted by appearances, although there are some in the Council who seem to think they were not. They were not, indeed, based upon mere gossip. And, if the honour- able gentleman was wrong in his opinion in reference to the Wellington Conciliation Board, so were the whole of the public, for I must say from what I have read and heard con- cerning this body I think that its operations have not been such as to elicit the admiration of those who desire things to be done decently and in order. Sir, whilst certain members of the Wellington Conciliation Board have been conscientious men and fair partisans, obviously they have been associated with others who were not of that description ; and I think that such a tribunal, in order not to bring itself into con- tempt, in order not to be of the inferior quality which was depicted by the Hon. Mr. Bowen when he contrasted the Boards and the Court- I say that, in order that these things may not take place, the Boards should consist of men of large views and of sober judicial capacity. Well, I do not think it can be said that with regard to some of the members-I am obliged to put it in that way, because I do not want to be rankly personal-I do not think it can be said with regard to some of the members of the Wel- lington Board that they are of that high cha- It racter. As to the Chairman-well, I think he is more to be pitied than blamed. I do not envy him his task ; it has been a most unsatisfactory and difficult one to perform. Sir, it is not often that I have to agree with the Hon. Mr. McLean in the views he expresses in this Council, nor is it often that I have heard the honourable gentleman say that he believed the Govern- ment was right, as he did when he said that the Government had good reason for inserting the word "trades-union " in clause 2. It is strange indeed to hear the honourable gentle- man express an opinion that the Government has been right in anything. Then, there was another amendment with which the Hon. Mr. McLean agreed-that is, clause 3 including farmers, and making the law practically uni- versal in its application. I entirely agree with the honourable gentleman's agreement in re- ference to that clause. I think it is justified by the policy which we had in our mind, and which the country had in its mind, when this law was first instituted. Farmers are entirely in error in thinking that their inclusion in this law will act to their detriment in any way. Labour laws are not passed for the benefit of labourers merely-they are passed for the benefit of the whole of the community ; and it has tran- spired, and it has been clearly demonstrated, that the law is as advantageous to the masters as it

has been to the men. An Hon. MEMBER .- More so. The Hon. Mr. JONES .- The honourable gentleman says " More so," and we find, in con-
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mind, that he says there is a desire on the part of some unions to contract themselves out of the law. Now, what would be the effect of that? They are actually seeking to do that which they, in the first instance, when the law was passed, denounced as cruel brutality-to bring about strikes. I say, if we are not going to be thorough in this matter let us wipe out the law altogether. If we are not going to in- clude every one under its principles, let us tear the law from our statutes and go back to the days of barbarism, for that is what it means. Of course, I admit that the labour laws were passed at the instigation of the workers. That is not at all singu- lar, because anything which affects their interests affects them very seriously indeed. Anything which affected their pockets affected their bread fund, and they felt the pinch so severely that they were obliged to take action of some sort. We know very well from ex- perience that the pinch is not so severely felt by employers; they can manage somehow or other to get along, although money may not always be coming in readily. But in the case of the workers, if their wages do not come in regularly, and they are through competition reduced to a very low standard of wages, their position is a very bitter one indeed when serious industrial war is precipitated. I say that I think the farmers are wrong in their idea that it will injure them to be included under the provisions of the law. Even the journalists in Christchurch are anticipating registering under it, because they believe it will be to their advantage to do so. There is no- thing, as some people seem to think, humili- ating about this ; it is a perfectly honourable and straightforward thing to do. It is merely doing what is done in our Courts of law every day-taking difficulties to be settled by means of those who are capable and who are trusted to settle them. I can imagine circum- stances in which the shearers, for instance, might demand a higher rate of pay than would be justified by the price which was being realised for wool. Well, Sir, if that were the case, the pastoralists, if they felt that they had to pay a price which would affect them all very seriously, if not ruin some of them, would be quite within their rights to have the option, instead of being placed in the difficulty of having to face a strike, of going to the Conciliation Board or the Arbitration Court and having the matter settled in that way. Therefore I say that it would be a fair thing, as the Hon. Mr. McLean con- tended, to have the farmers included in this measure, so that everybody might be made to toe the mark if necessary. Sir, there is nothing hurtful about our conciliation and arbi- tration law. It is one of the most beneficent laws that was ever passed in any country in the world. As Mr. Lloyd says, in speaking of this law, " It is the compulsion of our Civil Courts, who guard us with lawsuits instead of suits of armour." And he speaks feelingly on this subject, because recently in America there has been a very disastrous strike. Now, sup- tration law had existed in America when the Steel Trust workers went out, it is probable that the whole difficulty might have been settled, and instead of the employers losing two millions of money and the workers five millions, as has been estimated, the whole trouble might have been averted without any damage whatever to anybody concerned, and to the public benefit. I think the day is past when people should hold to the fallacious theory that to benefit one portion of the community means to do injury to another. If when we are seeking to confer a benefit on a section of the people we take care that no one suffers in any respect, then we promote the advantage of the whole community. It was little thought, I suppose, that it might be possible for a dis- ease to emanate in the far East, amongst the squalor of the Arabs, and that it should reach to remote New Zealand and the uttermost parts of the world. It was little thought that we should be subjected to the annual visit of la grippe, which is said to have taken its rise and to have been caused by Eastern wretched- ness and misery and filth. I merely point this out to show that it may be necessary to pro- mote the welfare of peoples who are far distant from us in order to protect ourselves ; and, if this be so, how much more necessary it is to attend to our own domestic affairs, and to watch the interests of those of our own people who may suffer from any disability or from want of the

necessaries of life lest their troubles should bring disaster upon ourselves. The Hon. Mr. GOURLEY .- Sir, I may say this Bill, so far as I understand, has been the subject of very severe criticism in the Labour Bills Committee in the other House, and I believe it is admitted by the members of the other place that this is a wonderfully good Bill, and I may say I am quite prepared to support it in its present form. I particularly like clause 21, wherein it says that either of the two parties to a dispute shall have the right to decide whether they shall go direct to the Arbitration Court or not. Now, for the information of those who are supporting this Bill I propose to quote certain figures which are taken from the book of awards. In Dunedin there were fifty- two cases brought before the Conciliation Board, and there were twenty of them settled by that Board. And I may say that I have every ' respect for the Dunedin Board. It is presided over by a highly respected solicitor, and his predecessor, Mr. Sim, was a solicitor also; and these two men have given entire satisfaction to the whole community. As I say, they had fifty-two cases submitted to them and they settled twenty ; consequently there were thirty-two referred to the Abritration Court. Now, it took the Board something like thirty- eight days to decide these fifty-two cases. Then, in the case of the Wellington Board, forty-five cases came before them, and they managed to settle four. It took them a hun- dred and fifty days to settle these four cases. The Christchurch Board have had sixty-two cases before them, and they settled nine cases.

these sixty-two cases. The Auckland Board had thirty cases before them, and they settled nine cases, and referred the other twenty-one to the Court. The Westland Board had sixteen cases brought before them, and they settled three, and referred thirteen to the Court. In Auckland the Board were sixty-nine days deal- ing with the thirty cases that came before them, Canterbury sixteen days, Otago thirty-eight days, and Wellington a hundred and fifty days. Now, that is 205 cases altogether, and forty-five cases were settled out of 205, and the Court sat nearly three hundred days settling forty-five cases, and the cost of this was : d. 8. Auckland 366 3 0 Wellington 1,089 16 5 Westland 17 6 4 .. Canterbury 109 0 4 . . 220 14 2 Otago . . Taranaki 8 8 0 . . £1,811 11 11 Now, I think if anybody will look at this dis- passionately, and give it any consideration at all, he must come to the conclusion that the Con- ciliation Boards, so far as this is concerned, have been a complete failure in every sense of the word. I say the Wellington Conciliation Board took a hundred and fifty days to settle four cases. It seems to me a useless waste of money that such a Board should be kept in existence ; and I am happy to see that section 21, giving power to either of the parties to a dispute to have the case referred direct to the Court, is a good one, and, I hope, will be carried. I have nothing more to say. I merely got up in order to place before the Council the statement I have read out for the benefit of those who still advo- cate such a thing as a Conciliation Board, and I hope every case will be referred direct to the Arbitration Court without any preliminary at all. I heartily support the Bill, and particu- larly this section 21. The Hon. Mr. A. LEE SMITH .- The calm, dispassionate, and even conciliatory spirit in which this Bill has been discussed by the Council must, I think, be agreeable to all members present. It presents such a contrast to that which has gone before. So much so, Sir, that I am almost disposed to ask myself, Is it the calm before the storm ? because if we look outside we will find that there are no such indications of contentment with the position on the part of industrial associations, employers' associations, and another body lately forined to whom I will refer. I cannot un- derstand very well how it is that honour- able gentlemen here -- most of the honourable gentlemen who have spoken, and who hitherto have sympathized with these bodies' aspira- tions-can refer to the matter in the way in which they have done, seeing that there is this unrest outside ; because it must be mani- fest that one or two of the small and innocent- looking alterations made in the Bill would much alter the position as it has existed in the past. I think this is a very opportune time for the Hon. Mr. Gourley an Act which has already been in operation for seven years. During those seven years we must have had good opportunity of seeing whether it was an Act which honourable members and the

country at large could regard as satis- factory. The inauguration of this method of dealing with labour questions has brought in altogether a new spirit, a new feeling, on the part of the people to that which existed before. It was the commencement of a new era. We have now had seven years of it, and, so far as I am concerned as an employer, I look upon the Bill as having been eminently satisfactory in its working. It was to be expected that such a great departure as this Bill implied would neces- sarily, for some time, cause much friction be- tween employers and employed. First of all, there was no organization in existence where- with to deal with this Act. For years and years we have seen, month after month and year after year, that there was a continual ac- cession to the industrial unions in order to enable them to take the benefit of the Act. So far as I regard that, it has just been this: that those unions have been getting into position ; and I look forward to the time, even without any alteration of the Act, when we shall get peace, and not have the continual applications to the Court which we have witnessed during the past two or three years. That is merely getting the machinery into order. I alluded in the first few remarks I made to the great contrast between the speeches of members and the attitude outside. All must be aware of the great antagonism which has been shown by many employers and associations of employers to this Act. They have clamoured loudly for alterations, and it seems to me that the amend- ments in this Bill are somewhat of a needless concession to their demands. Now, they may or may not be of advantage, but I do think this: that we should let the Act rest as it was passed last year, seeing that it was an amend- ing and consolidating Act, and give some little time in order to see whether the complaints made against it are justified or not. There has lately come into the field a new-what shall I say -a new recruit I will call it-the Farmers' Union. I know something about farming mat- ters, and I have no doubt this union was formed entirely with a view of putting their position into as good a state as they possibly could -- that that feeling inspired them with the idea of forming a union. I recognise this : that they have just as much right to do so as the manu- facturers and all other employers ; but I canno: say that they have been wise in their method of procedure. First of all, I am told they have been organized in a way which I should have thought that they themselves would have seen would condemn their methods to commence with-that is, going into committee and carry- ing secret resolutions which have not been published in the papers. But within the last few days the cat has been let out of the bag. in the shape of a circular, which has been sent round, I dare say, to all members of Parlia- ment, to this effect :-

branch of the New Zealand Union, held at Ashburton, the following resolution was passed and ordered to be sent to all members of Parlia- ment : 'That this conference strongly protests against the inclusion of agriculturists under the Workmen's Compensation for Accidents Act ; and that this resolution be sent to every member of Parliament."" I remember that two years ago, and last year when the Workers' Compensation Act was passed, I particularly called attention to what I thought was the gross injustice of putting farming men outside the protection and opera- tion of the Workmen's Compensation for Acci- dents Act, and I still adhere to that view. There is nothing in principle that can be applied to them with justice which would warrant the right of Parliament-it has the right to do any- thing-to say, "Here is a body of men that shall be protected against accident, and there is a body of men that shall not be protected." Where is the justice of that ? I appealed loudly last year and the year before against this being done. I believe now that the terms of the Act imply that all those workers are industrial operatives, and therefore they are under the Act. But I was remarking on the very bad start which the Farmers' Union has made. There can be nothing more calculated to break up this Act, there can be nothing more calculated to cause dissatisfaction between capital on the one side and labour on the other, than setting out with a charter to say, " We insist on your excluding these men." I have pointed out before the in- numerable accidents which may occur to men working on farms whereby they may be maimed or lose their lives, and their families may be left exactly in the same position as the families of employés who may be injured in

factories. Therefore this appeal to keep these men out of the operation of the Act is utterly wrong, is unjust, is cruel, and, furthermore, is detri- mental, in my opinion, to the interests of the farmers themselves, because the Act provides a cheap, expedient, and effective method of insur- ing themselves against common-law liability for accidents, and therefore I hope Parliament will not agree to an amendment of the Act in the direction suggested. . Then, there is another resolution which was passed by this union, namely :- "That this conference strongly opposes the inclusion of farmers under the Industrial Con- ciliation and Arbitration Act, and urges upon the Government to at once pass a clause in the amending Act now before the House excluding all agricultural and pastoral pursuits from its operations ; that a copy of this resolution be forwarded to the Premier and to all members of Parliament." Being in a small way a farmer myself, I, of course, know that farm men have to work under circumstances in many cases that involve much irregularity of hours of labour, therefore requir- ing special consideration in respect to what is a reasonable and fair average ; but this resolution seems to suggest that in cases brought by the men or by the employers before the Court the Board Court, might be so senseless as to apply hard- and-fast and unworkable rules to an occupation which every one knows requires to be placed under conditions giving the greatest amount of latitude to both the employers and the men. I look upon this as sounding the note of warfare, and, if there is anything which can tend within a short time to bring about-if they are outside of this Act-a strike, this is the very thing to do it. What must be the feeling and conse- quent attitude of the men to a demand that implies a total want of consideration for their interests-a consideration that the Legis- lature has so freely granted to other sections of the working community? I have a letter from a gentleman-a farmer-in which he said,- "I hail with great pleasure the advent of this Farmers' Union, because, assuredly, it will lead to the formation of a Farm - labourers' Union. Unless these people are brought into line with the employers and the employés in the town it will result in a very short time in strikes, and then we shall have the old battles to fight over again." Therefore it is, Sir, that I think there is out- side a very different feeling with regard to this question from what there has been expressed in this Council. I do not want to say that members are guided by that, but there is an appearance about the debate which shows to me that there is some little desire to turn away in silence from the road that we have followed for the last seven years. Now, Sir, let me point this out: that the system of conciliation and arbitration has been for many and many a year applied to affairs of life other than labour employment. I remem- ber that some forty years ago there was a movement at Home to deal with commercial disputes in this way, and the result has been that, as time has gone on, there have been created in the large marts and centres of com- merce associations for the regulation and adjust- ment of commercial contracts, and to deal with disputes. In London the Stock Exchange Com- mittee has long exercised supreme control over the contracts of its members in respect to dis- putes. Their word is law, and a member can- not go past it and appeal to any Court. Then, take the Baltic Sale-rooms. You buy a for- ward cargo of linseed from the Black Sea, or Calcutta, or anywhere else, and you are bound to submit to the rule that when that arrives, no matter what it is like, the whole thing goes before a committee, and their decision as to the allowance to be made by the purchaser if the cargo is better than the grade, or by the seller if worse, is binding, and must be accepted by both parties ; and if either of those parties were to refuse to accept the decision their membership of the rooms where all this busi- ness is done at once would cease. There- fore the system of conciliation and arbitration, as we now have it in labour disputes is quite old. I said myself, before Mr. Reeves brought in this Bill, that a resort to strikes was brutal, and required a process in law to deal with it.

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his Bill in. What has the result been? No doubt there has been a good deal of friction, for that was to be expected. It was just like a manufacturer bringing a new and novel invention into his work. It would, possibly, at the first not work smoothly, and so might require alterations to be made. The same thing

applies to legislation of this nature. A few remarks have been made about the disaster that will possibly accrue to trade. Let us look at the reference to the expense of the arbitration and conciliation cases. It looks, perhaps, in itself very large ; but you can only know whether it is large or small by comparing it with something else, and if you look back and see the enormous losses that were made in 1888 or 1889, at the time of the big strike, you would find that it is almost infinitesimal; and when you consider our position during recent years, and see the comfort on the side of the employer, who has the knowledge that he can carry on his business and make contracts for three or four years without any risk of disturbance or any fear of not being able to carry them through on the score of strikes and lock-outs, and on the side of the employés the knowledge that they cannot be turned out unless they do wrong, and that they have accepted an award that they must adhere to for the time for which it is given, the result is eminently satisfactory. Then, there is another advantage: the mere agitator now really has no occupation. If he is in a factory, and says, "Jack, we ought to get so-and-so," what do his mates say ? They say, " We have now got a system and a law by which we can get what we think are our rights. Our case has gone before the proper tribunal, and it has been fixed for two years that we are to get a certain thing; and, there- fore, if you want to disturb our agreement you have no place here. We have got what we fought for, and what the Legislature has given us ; and we have to abide by that, and so has the employer ; therefore, you must go out of here, because there is no need for you." Is not this conducive to good work being done ? Now, Sir, as to the great fear that has been so often expressed in respect to the risk of outside competition being fostered through this legisla. tion : It is said by some who are opposed to all labour Acts that you have to be careful that you do not drive the business out of the coun- try. Well, now, when you come to consider the great improvement in manufacturing in recent years, and the great saving which has been effected by improved machinery, you will see that what you may call industrial development implies the law of industrial dis- placement, and by the displacement of the old forms of machinery with the new methods you have brought down the cost of production so much that the rates of wages advance caused by the legislation is simply a bagatelle in comparison-it is almost nothing. If wages are increased you find that a man at once sets to work to devise some method whereby he can reduce the cost. In fact, it is an incentive for him to do so, and so we have seen the great Hon. Mr. A. Lee Smith about. And thus it is, Sir, that I say the small advances we make here in wages, the small difference that will be made by these restrictive regulations, as some honourable gentlemen call them-but which, having been accepted by both parties, lead to the advan- tage of both - it is, I say, so small that it will never be felt, or, if felt at all, it will be much more than compensated for by the fact of the knowledge that matters go on on a certain basis for so long, whereby you get a continuity of procedure which gives confidence to productive enterprise. And, Sir, with regard to its limiting production and destroying our trade, let me say a few words about that. The late Mr. Brassey, the great contractor, on the question of compara- tive cost of labour under conditions of high or low wages, said, " I have made railways all over the world, and I have paid all kinds of rates ; high rates and low rates ; but British labour and the British workman I have always found, under all circumstances and conditions, was the cheapest, because his application, his industry, and his reliability tell in the long- run, no matter what rate is given to him, in comparison with foreign labour." And, then, as to shorter hours, it is well known at Home that large manufacturing concerns there have adopted the eight hours, and that they have found that with the willingness, the freshness, the better ability of the men to carry through their day's work, the eight-hour system has resulted in a great benefit. I will give the experience of a company which I know some- thing of. It used to work ten hours a day; then it came down to nine hours, and there still was dissatisfaction. Then, the manager said, " Let us try eight hours, and see if there is anything in the men's contention that they can do as much work in eight hours as they can do in nine." The fact of the matter is this : there has been eighteen months' experience of that, and the turn-out is just as much ; the machinery runs more regularly, and the men are stronger and fresher, with the result

that the output is practically the same as before. That is not an isolated case. I can point to other manufactories that have done the same. There are several factories at Home working on this system. They do not complain : they are making money and doing well. Then, Sir, as to another supposed result of all this legislation to our colony : It was anticipated in the first instance that capital would be driven away, and that there would be disorganization all round. There was fear and trembling that there would be a diminution of production, and, in point of fact, the whole ground was covered which im- plied disaster as the result of the introduction of this Bill and of other labour measures. Now, what are the facts ? I am not going to weary the Council with figures. Honourable gentle- men can read them for themselves ; but if you look at any statistics, if you look at the grain production, if you look at our manufactured productions, if you look at every conceivable indicator, you will find increases. Then,
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receipts gone up by leaps and bounds ? That does not come from the sheep industry, because wool has been low. It comes from the riches which have been acquired by the general com- munity. Then look at the consolidated revenue. Look at the Post Office returns. In fact, far and wide there are instances giving the most convincing proof of the fact that this country within the last nine or ten years has made far more progress than it did for twenty-five years before. We have heard a great deal about the recent increased importation of boots. It is said there is a large importation of boots from America. I do not doubt it. But, then, those who have mentioned that forget to mention also that that is greatly due to fashion. Ameri- can boots are coming into fashion ; and there is another thing they do not say : they do not say anything about the production of boots in this country. I am told that the production is larger in proportion than is the increase in imports during a similar period. If that is so, as I believe it is, it is no argument against the labour legislation to say that these boots are coming in in larger quantities. That shows, I think, that simply a great many people are better off, and are taking to these very artistic- ally made and inviting kind of goods they get from America, and that is one proof of the greater wellbeing of the people. Now, Sir, in contrast to this, let us turn to the position at Home. We see strikes and eternal labour squabbles. There was the Taff Vale Railway dispute, and there is the long-standing Penrhyn Quarry strike; and in America there was re- cently the Steel Trust dispute. I dare say honourable members are aware of the fact that #cc-zero there has recently been a very important deci- sion by the House of Lords on the Taff Vale case, and that is, that men who disturb an employer render the union to which they belong liable to damages. This is a new rule, and we hear now there are several firms who are said to be endea- vouring to foster picketting in order to get at the funds of the unions. There is a nice state of things. Is it not better to avoid the enor- mous national loss that such an industrial warfare must necessarily entail ? The Penrhyn Quarries now for a year and a half have been doing nothing whatever; the Taff Vale Rail- way was utterly disorganized for three or four months. And now comes this serious position. By that finding-by that Judge-made law-the funds of these unions are liable to general at- tack, and, of course, there is great consterna- tion. There is no possibility that Lord Salis- bury will bring in a Bill to alter the decision which has been given by the House of Lords, and consequently you will have more strikes, and everything that is bad in connection with labour questions. I ask honourable gentlemen to look round them and see the different position we are in. We have no fear of anything of that kind. I dare say all honourable gentlemen will know of one of the leaders of the Liberal party at Home-the Right Hon. Mr. Asquith-and will admit that he is a most eminent politician, a distinguished some years ago. Now, Mr. Asquith recently was making a speech in which he alluded in most flattering terms to the colonies and the pro- gressive social spirit they displayed. I think he was talking about the housing question, and generally on social and on labour matters. He then, in order to show the contrast between their condition at Home and the condition out here, made these few remarks. I will begin at this point :- " Where the prevailing and predominant opinion of the people "-he is speaking about the Australasian Colonies, including, of course, New Zealand -

"Where the prevailing, the predominant opinion of the people and the Legislature is Liberal in the strongest sense of the term, and where they are carrying out -- day by day, year by year-democratic reforms upon a scale and with an uncompromising idealism which would stagger the most pro- gressive thinker in this country." That is what a man in an eminent position has said about us; and, therefore, I think we can be perfectly content to rest assured that we are on proper lines, and that we have made a rapid, a great, and a substantially beneficial advance since 1894. I think that advance will go on as time goes on ; that it is in favour, not of employer or workman only, but of both, equally, and that in the long-run we shall find that the adoption of this great measure has been to the advantage of the whole of the people of New Zealand. The Hon. Mr. W. C. WALKER .- Sir, I am sorry several honourable gentlemen have de- parted, because it is not very pleasant to refer to them when they are away, and I think this is a measure which, to a certain extent, is not likely to please either party. On the one hand, there is the party who believe in going to "ex- tremes," if it is fair to say that, but, at any rate, would like to carry out the original Act in its entirety, if not more. On the other hand, there is the old-fashioned Tory party, who are only too glad to see that certain amendments have been proposed, and they take advantage of the proposals to whip the Act as far as they can, and bring into contempt every institution that affords them the opportunity ; because I think there has been a very unfair reference made to certain Boards and certain parts of the adminis- tration. Then, the opportunity has been taken -I think unfairly so-by the Hon. Mr. Rigg to institute a comparison between the Hon. Mr. Reeves, who introduced the original Act, and the present Minister of Labour, Mr. Seddon. The Hon. Mr. RIGG .- Because there is no comparison. The Hon. Mr. W. C. WALKER .- Well, I complain of the ungenerous nature of the comparison, and the unwarrantable manner in which he was alluded to. We all know under what circumstances the Hon. Mr. Reeves brought in these Bills in the first instance. He had behind him an extraordi- dinary condition of things. He had almost a revolution to cope with, and he was enabled to make the start in the direction of labour legis-

of his colleagues, and which, undoubtedly, was the turning-point in the industrial history of this colony, and which gave an example to other parts of the world. But to say that Mr. Seddon has not been a good, conscientious, and intelligent Minister of Labour is to say a thing which is not justified. He has done his best to keep abreast of every live question of the duy, and if he is not ecstatic as some people, and not carried away on the froth of agitation, but has got some common-sense ruling his mind, it is all the more to his credit, and all the more to the credit of his administration, and the result is that he brings down a Bill endeavouring to smooth over difficulties that experience has shown existed in the Hon. Mr. Reeves's legislation ; but that is not abandon- ing the principle of the original Act. The present Bill does not in any shape or form mean that the Premier is giving up his interest in labour questions. In fact, it shows how carefully he studies them : that he sees there are two sides to every question, and that he endeavours to meet the questions which ap- pear to him to be real live questions of the day. As I say, it was a matter of great pain to me that the Hon. Mr. Rigg should have made references of that kind to the Minister of Labour, because I know they are quite unwar- ranted. But, on the other hand, it has amused me to see how the real enemies of the measure have taken advantage of this Bill to play off their old game on it. They look, of course, upon it as revolutionary and horrible in every sense of the word, and they are only too glad to be able to "rub in" all they can as regards the amendments which are proposed in this Bill. I agree with the Hon. Mr. Rigg in thinking that a great deal too much has been made of the Wellington Conciliation Board. They, I think, have been very unfortunate in having a most hostile Press. An Hon. MEMBER .- NO. The Hon. Mr. W. C. WALKER .- 1 am only expressing my opinions ; the honourable gentle- man had his opportunity the other day. I say they had a most hostile Press, and the Press of Wellington has been only too glad to show up all the ridiculous features of this Board, and has never said

a word in their favour. An Hon. MEMBER .- They could not have done .otherwise. The Hon. Mr. W. C. WALKER .- Well, I differ. I do not think anybody is quite as bad as he is painted ; and, certainly, this Board, I have no doubt, from what I can learn, has done a great deal to expedite the business of the Arbitration Court. Honourable gentlemen seem to think that it is very easy indeed, by wiping off the Conciliation Board-because that is what many members of the Council are endeavouring to do -they say it is very easy, by wiping off the Conciliation Board and preventing any of the expenses of the lower tribunal being incurred, not only to save money, but to gain expedition in the hearing of cases, and in other ways to speed the wheels of justice. Well, I believe my- self that, if the Conciliation Boards were unfor- Hon. Mr. W. C. Walker the opposite thing would be found to eventuate. These Boards have been doing useful work, perhaps in a clumsy way as to some of them, but I believe in a very honest way. Perhaps it might have been done better if they had been presided over by a legal gentleman. In fact, the Wellington Board was presided over at one time by a legal gentleman. Perhaps it ought to have continued to have been presided over by a legal gentleman ; but, in spite of that-in spite of the fact that these Boards have been presided over by laymen -- the work they have done has been of an exceedingly conscientious kind, and a work that has assisted the Arbitra- tion Court to a most incalculable extent. The Hon. Mr. TWOMEY .- Is this the Wel- lington Board ? The Hon. Mr. W. C. WALKER .- Every Board in the colony. We did not have Mr. Justice Cooper before us to give evidence, but I am quite certain that if we had we would have found him admitting his work was lightened ten- fold by the work done in the preliminary in- vestigations by the Boards, not even excluding Wellington. Now, it is very unfortunate that a tribunal of this kind should have been made the object of ridicule and derision by any respect- able Press, still more in a city like Wellington, which is supposed to be able to focus public opinion ; and, considering that both neas- papers represent a considerable amount of commercial enterprise, I think it is still more to be regretted, because it shows they are absolutely, blindly, and criminally ignorant of the true interests of commercial enterprise. These Acts are intended to smooth over diffi- culties that must inevitably from time to time occur between capital and labour. Not even the Wellington newspapers can run without labour, and they must inevitably, therefore, be dragged occasionally into disputes with their employés. Why, therefore, should they aggra- vate troubles of this kind ? Why should they be the persons to endeavour to bring into ridi- cule tribunals that were endeavouring to meet the difficulty, and in a needless way to defeat the objects of these beneficent Acts? I can- not conceive such judicial blindness on the part of newspapers, who not only ought to have suffi- cient intelligence to carry on their own affairs, but are also supposed, like the moon, to lend reflected light to the rest of the community. Yes, Sir, I am quite certain that if the whole weight of conciliation and arbitration is placed on the shoulders of the Arbitration Court, great disappointment will ensue. In the first place, delay must ensue. That is evident, because we have had it in evidence that the first work of the Conciliation Board is to bring the parties together, and to find out how many points they are likely to agree upon, and how many they are sure to disagree on. And supposing there are twenty or thirty counts in a case, it takes a little time. I do not think that really the work of the Boards has been treated with enough consideration, and enough consideration given to them, es- pecially in the matter of detailed work. But I

us we would find that, in nearly every case where an agreement was not arrived at, still the Board was enabled to take out of the ques- tions at issue two-thirds or three-fourths of the whole of the questions, and narrow the issues down to perhaps three or four. And then, Sir, more than that, the sparring -if I may use the word in reference to a Conciliation Court- which may take place before the Board, gives the two contestants a certain amount of know. ledge of the methods and arguments likely to be used. They know exactly the arguments which they might originally have been disposed to use, but have found them to have no value at all ; and therefore it has occurred that the Courts were able to reduce to a minimum the

amount of evidence that has had to be brought before them on the reduced number of counts as compared with the number of counts threshed out by the Boards in the first instance. Now, I am not prepared to say that the present constitution of the Boards is perfect, but I do say it will be a great pity to give up conciliation as the essence of the Act. It would be a very great pity indeed if we were at this time of day to abandon conciliation as the first principle which the Act endeavours to enforce; and I should be very sorry, therefore, to think that this Bill might be carried in any shape or form which would enable either its friends or enemies to say that this Parliament was going back from what it established in 1894. For that reason, therefore, I do not like clauses 6 and 21. They are both directly hostile to the original intentions of the Act, and if reference is made to the mind of the original proposer-the Hon. Mr. Reeves-I am certain that it is quite hos- tile to what he intended and what he hoped, and therefore I should be very sorry to give up conciliation out of the measure altogether. It is possible better Courts might be devised than the Courts we have got at present ; but I am quite certain of this : that the refer- ence to the special Board of Conciliators will not do unless both parties agree to accept it. And in the same way, in regard to clause 21, if .both parties desire to go to the Court of Arbitra- tion I have no objection to their doing so, but I would not like to see either party enabled so to .do. Supposing-I do not think that it is an impossible case-an industrial association of . employers, who are almost keener politicians than they are keen business-men-of course, it .is almost impossible to conceive any body of . employers so keen as that-still we do know . some employers are very keen politicians, and : they do things sometimes in a way that astonishes one : supposing these keen politi- cians and keen business - men were parties to a dispute, from past experience it is im- : possible to conceive the lengths of obstruc- tion to which they might go. I think I should now say a word or two on a matter that has been referred to by more than one speaker, and that is the possible effect upon our trade which they say comes from the com- petition, especially in relation to the new tariff .that is in contemplation in the Australian meanest way to look at any large question that I know of. If we are an independent nation, if we are a country that can stand upon its own bottom, we have no reason to go elsewhere to get our politics from, and our laws should be regulated not from what would suit other countries, but what will suit ourselves; and if our laws suit ourselves we have no reason to consider what other people think of them, or how they will frame laws from their own point of view. As regards the proposed tariff of the Australian Commonwealth, I consider the argument as regards this Bill a bugbear of the very meanest description. If we had thought from the beginning, or had any reason to think, that we should make peace with our enemy in the gate, to save our own existence, then we ought to have done all we could to go into the Federation along with others. But, Sir, after looking at it carefully, I am perfectly certain of this: that every man with a square head on his shoulders, the longer he looks at it the more convinced he becomes that federation would have been the greatest mistake New Zealand could ever have made. We have got to paddle our own canoe, and fight our own battles, and make our own laws, regardless of what the Australian tariff can do to us ; and we can be perfectly safe and sure that what suits ourselves and our trade will keep us to the forefront in any fight of tariffs or any other controversy we have got to enter into with our friends on the other side. I do not advocate -- I do not for one moment suggest-there should be a war of retaliation, or anything of that sort take place ; but that our home policy-our domestic policy -should be in any shape or form influenced by what may happen as regards tariffs or laws on the other side of the water is a consideration which, I believe, is absolutely beneath con- tempt. We can fight our own battles. I do not know what we have got from the other side that is worth thinking of ; they never take any- thing from us that they are not compelled for their own necessities to take; and, if they put tariffs on, it means that their people will have to pay all the more for those commodities when they cannot do without them. The Hon. Mr. McLEAN .- You have got as big a tariff as they have: why object to them ? The Hon. Mr. W. C. WALKER .- I am not objecting. I am objecting to certain arguments that came from honourable gentlemen that, in the presence of the

Australian tariff, we should be very careful what we do in what they call hampering our trade. I believe, if the Austra- lian tariff does hamper our trade, that is no reason for altering our domestic policy. I go further, and say that this Bill in no shape or form hampers our trade. ' It enables us to make a country where peace and honour lives, and where all our trade difficulties can be solved without any intestine war or strifes such as have occurred in other countries. Therefore I say, do not let us destroy conciliation, and let us remember that the first motto of these

ciliation rather than weaken it. I therefore say, do not let us pass that clause 6, which provides for a special Board of Conciliators, or clause 21, which makes it possible for either party to apply for a straight issue with the Court of Arbitration. In both cases, Sir, I think it would be a very great mistake. In the first instance, it is not fair that either party to a dispute of this kind should be able to force the other to do what they do not want. The Hon. Mr. TWOMEY .- They do it. The Hon. Mr. W. C. WALKER .- They do not do it. The Hon. Mr. TWOMEY .- Yes. The Hon. Mr. W. C. WALKER .- How do . they do it ? The Hon. Mr. TWOMEY .- Workers make their employers do it. The Hon. Mr. W. C. WALKER .- Do what ? The Hon. Mr. TWOMEY .- Go to the Con- ciliation Board and Arbitration Court. The Hon. Mr. W. C. WALKER. - The honourable member does not understand what I mean. I say it would be very unfair to alter the present law, and say that either party can force the other party to go to a special Board of Conciliators. A Board of Conciliators, what- ever is said in this Council, is not a Board that many of the workers like, because the Board of Conciliators, if they do anything at all, is a Board which, on the side of the workers, must be composed of experts from the particular trade, and these experts, in spite of what some of my friends have said, are men who are specially pointed out as the men to be got rid of on the first opportunity. Now, that may be a suspicion on the part of the workers in past years. I have no doubt they have had experience of it in past years, but we have at the present moment special reason for knowing that it is a weapon in the hands of the enemy at the present time. Look at what happened in the Waihi Mine. There was a difficulty there between the workers and the company, and the workers endeavoured to get the thing put into the hands of the Board of Concilia- tion ; but in some marvellous way, before they could turn round, the men who were acting on behalf of the workers were all run out of the mine. It is no use speaking as if we were children. We know that these things do hap- pen, and I think it is only right on the part of the Council that they should take these things into consideration as real live matters ; and if they want to put this law on a proper footing they should guard against and prevent them. It is no use saying that, within a certain man's recollection and experience, these things never happened to him. Quite possibly they may not have happened to the honourable Councillor speaking, but we can absolutely say that these things have happened in certain localities in New Zealand, where a certain result has operated from a certain action on the part of certain men who were trying to get satis- faction for the employés at the hands of the employers. Therefore I say it is very un- Hon. Mr. W. C. Walker wrongs done to these people, and absolutely put weapons into the hands of their enemies. Well, then, Sir, I have got a few words to say about trades-unions and their position with re- gard to this Bill. Apparently the Hon. Mr. Rigg thinks it is very hard that trades-unions should be introduced into this Bill, and not be placed in full possession of every power and privilege which an industrial union has got. Curiously enough, Sir, last year, when we con- solidated the statutes, the department thought that, inasmuch as every trade-union in New Zealand was registered as an industrial union, it would hardly be worth while re-enacting the section of the old Act. But since then it has been thought necessary that trades- unions should be reintroduced into the legis- lation, and that they should be made parties to every award. I think we have had evi- dence before sufficiently strong to show that in certain quarters it was quite possible trades- unions might contract themselves out of the Conciliation and Arbitration Act and endea- vour, as independent trades-unions, to take up an independent stand on labour questions. Well, that, I say, is an absolute

menace to the whole intention of the labour legislation, and it can never be allowed. And, as to saying that they should by this Bill be put in a position of independence and given all the powers of origin- ating disputes, I say that has not been taken away from them, because they have only got to register as an industrial union and they have every power anybody can want. Therefore I think it is perfectly fair all round. On the one hand, members of trades-unions can see that they cannot get away from any award a Court may make; and, on the other hand, if they want to be parties to a dis- pute all they have to do is to register as an industrial union, and they have every possible privilege. What is fairer than that? I do not think anything could be; but I am not prepared to admit that they should be let in as inde- pendent partners to originating disputes in an independent guerilla sort of fashion. I know it is a difficult matter to reply to both sides, because I feel a little like the gentleman who found himself between the devil and the deep sea ; and, upon my word, I am not prepared to say which is the devil and which is the deep sea ; but perhaps, for old association's sake. I must put my honourable friend Mr. McLean on the side of the devil. But between him and my candid friend, the Hon. Mr. Rigg, I feel that I am in a difficulty, and I know that a man who tries to please both sides is generally making a mistake. I trust I may say on the present occasion the Government is trying to bring common-sense to bear on the result of the experience we have gained of these measures. I trust the result will prove that Parliament will pass an Act which will prove of use not only to one side, but to the other ; because it is of no use trying to pass measures exclusively in the interests of either the worker or the em- ployer-we want to pass measures that will suit both, and at the same time bring about general

the committal of this Bill. Motion agreed to, and Bill committed. IN COMMITTEE. Clause 2 .- " In this Act and in the principal Act, if not inconsistent with the context, ' trade-union ' means any trade-union registered under ' The Trade Union Act, 1878,' whether registered under that Act before the passing of the principal Act or not." The Hon. Mr. RIGG moved, That the clause be struck out. The Committee divided on the question, "That the clause be retained." AYES, 25. Scotland Kenny Barnicoat Shrimski Louisson Bolt Swanson McLean Bonar Tomoana Ormond Feldwick Peacock Twomey Gourley Walker, L. Pinkerton Jennings Walker, W. C. Pitt Jones Kelly, T. Reeves Williams. Kelly, W. # NOES, 2. Rigg. Jenkinson Majority for, 23. Clause retained. Clause 6 .- " Section fifty of the principal Act is hereby amended by striking out all the words after the word 'Conciliators,' in the fourth line, and substituting the words ' shall, on the application of either party to the dispute, and in the prescribed manner, be constituted from time to time to meet any case of industrial dispute."" The Hon. Mr. BOLT moved, That the clause be struck out. Progress reported. The Council adjourned at ten o'clock p.m. # HOUSE OF REPRESENTATIVES. Friday, 25th October, 1901. First Reading-Second Readings-Third Readings-Teachers' and Civil Service Examinations-Re- view of Reviews-Government Railways Depart- ment Classification Bill-Maori Lands Adminis- tration Bill-Dunedin Water-works Extension Bill-Hokitika Harbour Board Endowment Bill -City of Christchurch Electric Power and Loan Empowering Bill-Levels and Waimate Counties Boundaries Alteration Bill-Wellington City Re- creation Ground Bill-Land-Tax and Income-Tax Bill-Local Bodies' Loans Bill-Criminal Code Bill-Public.school Teachers' Salaries Bill. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READING. Native Land Claims Adjustment and Laws Amendment Bill. Borough of Mornington Tramways Bill, Lyt- telton Borough Council Empowering Bill, City of Auckland Loans Consolidation and Auckland City Borrowing Bill, Kairanga County Bill, Featherston County Bill, Wesleyan Church Re- serve Vesting Bill (No. 2), Ocean Beach Public Domain Bill, Borough of Mataura Loan Valida- tion Bill, Greytown Reserves Vesting and Dis- posal Enabling Bill, Canterbury College Em- powering Bill, Palmerston North Reserves Bill, Kiwitea County Council Offices Bill, Egmont County Bill (No. 2), Gore Cemetery Reserve Vesting and Enabling Bill, Masterton Public Park Management Bill, Inch-Clutha Road, River, and Drainage Bill. # THIRD

READINGS. Borough of Mornington Tramways Bill, Lyt- telton Borough Council Empowering Bill, City of Auckland Loans Consolidation and Auckland City Borrowing Bill, Kairanga County Bill, Featherston County Bill, Wesleyan Church Re- serve Vesting Bill (No. 2), Ocean Beach Publio Domain Bill, Borough of Mataura Loan Valida- tion Bill, Greytown Reserves Vesting and Dis- posal Enabling Bill, Canterbury College Em- powering Bill, Palmerston North Reserves Bill, Kiwitea County Council Offices Bill, Egmont County Bill (No. 2), Gore Cemetery Reserve Vesting and Enabling Bill, Masterton Public Park Management Bill, Inch-Clutha Road, River, and Drainage Bill, Templeton Domain Board Empowering Bill.
TEACHERS' AND CIVIL SERVICE EXAMINATIONS. Mr. SEDDON (Premier) laid on the table the teachers' and Civil Service examination-papers, and moved, That they be printed. Mr. PIRANI (Palmerston) said he knew of a grievance in connection with the Civil Service examinations, to which he would like to draw the attention of the Premier. He understood that under the law, or the regulations at present existing, a person who had passed the Senior Civil Service Examination and the Junior Uni- versity Scholarship Examination with honours could not be appointed to a position in the Civil Service, because he had not passed the Junior Civil Service Examination. Mr. SEDDON .- That is so-that is the law. Mr. PIRANI thought there ought to be a discretionary power possessed by the Govern- ment to appoint any person who has passed such an examination to the Civil Service with- out having to learn typewriting-because if a person learned typewriting he might be ap- pointed as an expert without examination- but it seemed to him most extraordinary that a person who had passed the Senior Civil Ser- vice Examination with credit, and obtained a Junior University Scholarship with honours, and-in the case he had referred to-had matriculated, yet that person could not be appointed to a permanent position in the Civil Service. Mr. SEDDON (Premier) considered that the present law in respect to admission to the Civil

amendment, and one of the directions in which it should be amended was that indicated by the honourable member. The Government would have to bring down amended proposals-it was too late this session-or otherwise they could not expect to have the best service, and they had not got the best Civil Service. Motion agreed to. REVIEW OF REVIEWS. Mr. SEDDON (Premier). - Sir, I wish to lay before the House the correspondence with re- spect to the payment of £260 for an advertise- ment in the Review of Reviews. I move, That the correspondence do lie on the table, and be printed. Mr. PIRANI (Palmerston) .- Sir, I think it is a most improper thing to get correspondence from outsiders with reference to the proceedings of the House, and to embody that correspon- dence in the Journals of the House. Mr. SEDDON. - It is the correspondence, from start to finish, as to how the contract was made, and I was asked by the House to give it. Mr. PIRANI .- I have not seen the whole of the correspondence, but I have seen one letter and it is utterly misleading. The letter I saw stated that the objection taken in the House to that article was because it boomed the Premier. There was nothing of the sort. The only refer- ence to the Premier in the course of the discus- sion was the fact that the Premier's photograph figured so largely on the pages of that article- that the Premier was shown in every costume but the costume of nature; and I believe the article would have boomed very much more if that omission had been remedied. But, so far as the contents of the article or the matter in the article were concerned, no exception was taken in the House at all; and yet Mr. Fitchett, and his coadjutor Mr. Stead-be- cause Mr. Stead, mind you, has also taken up the cudgels on behalf of the Australasian Review of Reviews-this gentleman who, we have been told by the Premier, has nothing whatever to do with that publication, has taken up the cudgels on behalf of the Premier and the Australasian Review of Reviews. Now, there is no greater proof of the argument used in this House in reference to that article than the fact that Mr. Stead has taken the mantle of defence upon his own shoulders, and has defended the position in connection with the Australasian Review of Reviews. The Premier was hitherto, I believe, under the impression that Mr. Stead had nothing to do with the Australasian Review of Reriews. Now he will probably believe that his impression was a mis- taken

one, and that the Rev. Dr. Fitchett is not the sole proprietor of the Australasian edition. The objection I have to this corre- spondence is that it is based on a misrepresen- tation-I mean the statement that the House objected to the article because of its contents. It was not the contents of the article, nor even the photographs, dainty as they were, that were so much objected to; it was the framing in which that article was placed that the great Mr. Seddon thing in the reasons that the objectors urged, it is confirmed by the publication of Mr. Stead's defence of the position. Mr. FISHER (Wellington City) .- As one of the strongest objectors to the payment of this £260 to the Review of Reviews, I wish to make a few remarks in order to make clear the posi- tion so far as I am concerned. The objection to the payment of £260 to the Review of Reviews was not that it gave too great promi- nence to Mr. Seddon, the Premier of this colony. My objection to the payment of $260 to Mr. Stead, or of any other sum to Mr. Stead, was that he was a man strongly suspected to have been suborned to write in the Boer interest, and he was condemned by a vast majority of the people of England accordingly. I stated flatly and plainly that secret-service money-the moneys of the Boers-had been circulated extensively in America and England, in order to influence journals of a type who were open to influence of that kind ; and I put it as a hypothetical case that it was not impossible that Boer secret- service money had been circulated in Austral- \-- asia in the same way. This correspondence contains the defence, it may be called, of the \---- Hon. Mr. Seddon, by the Rev. Mr. Fitchett, editor of the Australasian Review of Reviews, and of Mr. W. T. Stead, the editor of the English Review of Reviews. No defence of the kind was necessary. If that is the object of the correspondence, then I say that neither the defence of Mr. W. T. Stead nor the defence of the Rev. Mr. Fitchett in any way touches the objection raised in this House, and therefore the correspondence is utterly and entirely value- less. I fail to see the object of bringing the correspondence here now, as it has already been published throughout the colony. I objected to the payment of the £260 on the ground that while this colony of New Zealand was proud of the position it had taken up in reference to the South African War, it was not proud of the 1 payment of £260 to a man who was an un- doubted ally of the Boers and an enemy of the British Empire, that man being Mr. W. T. Stead. He is the largest owner of this Review of Reviews, and we have no right to pay the money of the colony to an enemy of this colony, and of the British Empire as a whole. Mr. SEDDON (Premier) .- I can only say, I think we ought to know what was cabled Home to cause Mr. Stead to say that the arrange- \- ments made with the Review of Reviews were not with a view of extolling or praising Mr. Seddon at all. My own opinion is this-I have no doubt about it-that Mr. Ross, the correspon- dent of the Times in this colony, has sent Home a cable saying that the debate and the objection was taken because the article was praising Mr. Seddon, the Premier, and that we were using the money of this colony for that purpose. Mr. FISHER .- That was not my objection. \-- Mr. SEDDON .- That was not the honour- able gentleman's objection. The real reasons of the objection, I say, in my opinion, were not sent Home at all, and that is on a par with !

same gentleman. I can refer to reports in regard to the finances of this colony, and more particularly in respect to labour legislation and administration. I say I have seen state- ments in the Times from their New Zealand correspondent which were absolutely unfounded and incorrect, and a tissue of misrepresentation. And I believe that to be the case in this matter, and that that was sent Home as the reason why exception was taken by the House; and that is how I say Mr. Stead was evidently misled as to what was said in the House. Evidently what was cabled Home was incorrect, and, in my opinion, what was cabled to Australia was also incorrect, because here we have this let- ter :- "Sir,-I have not yet seen the text of the debate in your House of Representatives on the arrangements made with the Review of Reviews for Australasia as to taking for distribution a certain number of copies of the issue which contains an article on ' New Zealand at the Be- ginning of the Century '; but I gather by the cablegrams from England that the latest ver- sion of the story is that Mr. Seddon paid the Review of Reviews for

Australasia a sum of money for an article which is practically a puff for himself. I cannot imagine that any sane New-Zealander will believe this story, whatever may be the case in England. "The article was one of a series designed to give a picture of each of the Great Australasian Settlements at the beginning of the new century in turn, and the whole series, it was hoped, would, when completed, form a book of permanent interest and value. New Zealand came third on the list. As there was very consider- able expense attached to the many illustrations which accompanied the article, the New Zea- land Government was asked to take a certain number of copies for distribution in England and elsewhere, on the ground that the article would be of public service to New Zealand." Now, I wish members to mark this, because, when I stated in the House the other day that I had not seen this article, nor knew anything about it, members murmured, and suggested that I was under a misapprehension. Now, this paragraph settles that question,- "Mr. Seddon expressed no wish whatever as to the character of the article, and never saw a line of it till it was published. "My duty was to secure the best possible writer for the article, and to give him an abso- lutely free hand. I invited the Rev. Joseph Berry, of Adelaide-a writer of mark, who lived for many years in New Zealand, and is uni- versally respected-to undertake the article, and it appeared exactly as he wrote it. There could not be a more honest bit of literary work. No one could read it without seeing that it is a perfectly independent, though friendly, study of the resources and prospects of New Zealand. " It certainly includes no special eulogy of Mr. Seddon. His name, in fact, except in the titles to the photographs, occurs only three times in the article. And nothing could be more straight- forward, businesslike, and honourable than the this transaction with the Review of Reviews for Australasia. He plainly wanted to serve his colony, not himself. And the article is not written in superlatives. It is a sober and absolutely reliable account of the resources and prospects of one of the richest and most flourishing provinces of the British Empire .- Yours, &c., " W. H. FITCHETT. "30th September, 1901." I say, I did come in for adverse criticism- although I cannot refer to a past debate-but I have come in for criticism in the Press and in the House in respect to this matter. Refer- ence was made to the pictures, and to the number of times the Premier appeared in the pictorial part of the article. Now, the number of times the Premier appeared is twice out of thirty one illustrations. Mr. PIRANI .- Five times, as I can show. Mr. SEDDON .- The honourable gentleman has a wonderful power of imagination, and his eyesight is extraordinary, for he can see that which does not and never did exist. A letter was received from the Rev. Mr. Fitchett, as follows, dated the 18th October, 1900 :- " Sir,-Under separate cover we forward you a copy of the Australasian Review of Reviews containing a special article entitled " The Great Queensland Winter Pleasure-trip," by the Rev. Joseph Berry, of South Australia. Mr. Berry, who comes from New Zealand, proposes to write an article on similar lines descriptive of the resources and beauties of New Zealand .. The article will be got up in good style, and will be more thoroughly written and illustrated than that dealing with Queensland, and should,. we think, be of real service to New Zealand .. Will you not help us, as the Queensland Go- vernment did, by taking, say, ten thousand copies as an advertisement for your colony, and sending them to England, and America, and all the other colonies? You will see by the audi- tor's certificate we enclose, to what a scale the Australasian Review of Reviews has grown ; so, apart from any number you take, the article will have a very wide distribution. We will be prepared to supply these copies to your Government at the wholesale trade rate of 6d. net per copy. " We hope we are not troubling you in this matter unduly, but we trust to receive as gene- rous treatment from yourself as we have re- ceived from Mr. Philp, the Premier of Queens- land. "The photographs used to illustrate the Queensland article were supplied by the Govern- ment. We take it for granted that, if you agree to this proposal, you will direct that photographs be forwarded to us showing to the best advantage the resources and beauties of New Zealand. " We might add that the bulk of the copies. purchased by the Queensland Government have been shipped by us on their behalf to the Agent- General for the colony in London. " If you consent, would you kindly let your Secretary send us a wire, so we can make

our December number .- Yours, &c., "Review of Reviews Proprietary (Limited), (T. SHAW FITCHETT, Managing Director.)" To that the reply was,- " We have decided to have special notice in Review of Reviews, same as Queensland, on terms mentioned your letter, and wish to have articles on Islands by Chief Justice reprinted. We are now selecting photographs which we You arrange for Berry's wish to appear. article." The reason for the photos respecting the Islands was to illustrate the article written by the Chief Justice in respect to those islands. If we had not asked that the article by the Chief Justice should be reprinted we should not have troubled about the photos ; that will take from me any blame, and is a full explana- tion of the photos respecting the Islands. Then this will explain again about the photos :- "The Under-Secretary. "Thirty-one photographs have been selected by the Hons. McGowan and Mills, and they are forwarded herewith. The titles of the photographs are scheduled and numbered, and attached hereto. Ministers desire that pre- ference should be given to the photographs numbered 1 to 19, if space will not permit of the reproduction of the whole of them. Kindly request the manager of the Review of Reviews to return the photographs to this office at his earliest convenience. # " A. BARRON, Assistant Surveyor-General." Mr. G. W. RUSSELL (Riccarton) .- As a point of order, Sir, is the right honourable gentleman in order in reading the whole of the correspondence that has now been laid on the table, in order to put it into Hansard, when none of the matters have been referred to by the speakers to whom he is supposed to be replying ? Mr. DEPUTY-SPEAKER .- The rule is that an honourable member must not read anything more than is necessary to answer anything that has been said. Mr. SEDDON. -- I will confine myself to the subjects in respect to which I am reply- ing. The photographs were mentioned by the honourable member for Palmerston. I am going to show the honourable member for Wel- lington City (Mr. Fisher), in respect to his criticism that we favoured Mr. Stead in re- spect to the matter, very conclusively, that it was nothing of the kind. We received a fur- ther communication from the Review of Reviews as follows :- " Melbourne, 28th June, 1901. " Dear Sir, - Several very complimentary notices of the article entitled "New Zealand at the Beginning of the Century," which appeared in the Review of Reviews for Australasia for January, have been published in the English papers. Seeing these, the managing director of the English Review of Reviews has written to us suggesting that no better service to New Mr. Seddon of the Rev. Joseph Berry's article in the English Review. His proposal is that we forward him the plates we used, and he will print a special supplement on art paper, and insert one in every Review of Reviews circulated throughout Great Britain, Canada, India, South Africa, and other parts of the Empire. This would mean a circulation of some hundred thousand copies of the article in question. We are advised that the cost of printing and insert- ing such a supplement as described would be £300. "An ordinary page advertisement in the magazine costs £25 per insertion. As the article, with illustrations, makes twenty-four pages, you will see that the ordinary advertise- ment charge would be £600. The charge of £300 for the printing of the article in the body of the magazine, and on special paper, is there- fore a reasonable one. We are given to under- stand that this proposal is made at a reduced rate, as the article will have considerable interest for English readers as an article pure and simple. "If this suggestion commends itself to your judgment, will you kindly advise us that you accept the proposal, and we will at once for- ward on the plates to London. Of course, any alteration of illustrations or matter you desire can be made .- Yours truly, "Review of Reviews Proprietary (Limited), (T. SHAW FITCHETT, Managing Director.)" The answer to that application was in the negative. When we were asked to issue it in the English edition of the Review of Reviews the Government declined. Mr. MEREDITH .- On what grounds ? Mr. SEDDON .- On the grounds stated by me. We were perfectly satisfied with what ap- peared in the Australasian Review of Reviews. We did not see our way to give it to the English Review of Reviews. I do not think the attack that has been made upon the Government, owing to our action, is at all justified. More than that, it is ungenerous, and founded upon a misapprehension of what are the real facts. We reckoned we were

doing good service to the colony. For my own part, I never thought of myself in connection with the matter. It was a question of what we could do to help the colony ; and it does appear to me that, when we are attempting to lift the colony, and help forward the colony, there is a load to drag which makes it almost impossible to do any- thing in that direction. You want the world to know the beauties of our country, you want people to come here and see New Zealand, and to settle in New Zealand; and what has kept us back for so many years is the fact that we are not known in the outside world. We are generally spoken of and written of as a portion of Australia. I say we have our own distinctive features, and we have scenery unequalled in any other part of the world ; and if we desire to bring the colony and its advantages before the world one of the best ways to do that is the way we have adopted.
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An Hon. MEMBER .- We have our own weekly papers. Mr. SEDDON .- You must consider where your papers circulate. An Hon. MEMBER .- How many copies were circulated ? Mr. SEDDON .- Ten thousand, I think. At any rate, I say this £260 of public money was money well spent. The charge laid against me is most unfair. As for saying that I asked that this should be published with a view of extolling myself, I can only say I had no idea whatever that I would have appeared in the article at all. I felt sure that in the hands of Mr. Berry justice would be done to the co- lony, and beyond that I did not trouble. As to the political or national side of the question- that moneys given to the Australasian Review of Reviews was assisting the pro-Boer party-I emphatically deny that. It is not a pro-Boer paper : it is edited and largely owned by a man who has written of "Deeds that Won the Empire," with a view of inspiring patriotism, and it is simply absurd to say the paper in which that appeared, and also the writer, is regarded as being a pro-Boer in Australasia. It is a very poor reward to the editor that it should be inferred that he is connected with and that the paper is owned by one who holds opposite and extreme views. I do not think it is so. As to Mr. Stead, I do not believe in many of the views he has held and expressed. At the same time, I can respect any man who conscientiously differs from me, and who has made great sacrifices and who has suffered per- secution in the cause of the young and op- pressed ; and I think there are some gentle- men who have had a great deal to say against #cc-zero Mr. Stead who would not suffer much for their opinions. Mr. FISHER (Wellington City) .- I wish to say, by way of personal explanation, that the letters read by the honourable gentleman are a distinct evasion of the points raised in this House during the discussion on the estimates. An Hon. MEMBER .- Is that a personal ex- planation ? Mr. FISHER .- The member for Palmerston, I understand, stated that the Premier- Mr. SEDDON .- Is the honourable member allowed to make an explanation for the honour- able member for Palmerston ? Mr. FISHER .- 1 wish to call attention to a statement made by the Premier, no matter to whom. The Premier said that in the article in the Review of Reviews there were only two pic- tures of himself. I hold the Review of Reviews in my hand, and there are five. The honour- able gentleman says he is wrongly charged with the publication of portraits of himself, and he says that the article in the Review of Reviews is an advertisement of the beauties of New Zealand, which it was desirable to publish because New Zealand is only known in Eng- land as a part of Australia. Why, according to this article, we shall become known in Eng- land as a part of Polynesia, for nearly all the pictures are pictures of islands in the Poly- VOL. CXIX .- 49. nesian group-in which the Premier, of course, looms largely, otherwise they would not have been there-and not of New Zealand. Mr. PIRANI (Palmerston) .- Sir, the Premier accused me of having imaginative eyesight, be- cause I said there were five pictures of himself in this article, and he stated there were only two pictures. Mr. SEDDON .- I said three. Mr. PIRANI. - The honourable gentleman said two. But I am wrong in calling them pic- tures, because they are not pictures : they are reproductions of the Premier's visage. At the beginning of the paper there is one photograph of the Premier, which comes first, and one of the Governor, which comes second, as has been said before. . That is on page 73 of the January number of the Review of Reviews. On page 74 there appear the King and Queen of Rarotonga and Mr. and Mrs.

Seddon : the Premier in a light and airy costume, with a Panama hat on one foot-balanced on his toe. The King is also holding his little cap on his toe. On page 75 of this number there is a King and Mr. Seddon. An Hon. MEMBER. - Another king ? Mr. PIRANI .- They are all kings: no com- mon people. Mr. McGOWAN (Minister of Mines). - I would like to ask your ruling, Sir, as to whether the honourable gentleman's remarks can now be said to come within the limits of & personal explanation. Mr. DEPUTY-SPEAKER .- If the Premier has misrepresented the honourable gentleman, he is entitled to adduce proof to show where he has been misrepresented ; but I do not think the honourable gentleman is entitled to describe every picture in which the Premier appears. Mr. PIRANI .- I was only describing them for fear the Premier should say I was repeating the same picture over and over again. I wanted to show the difference in the pictures. Mr. DEPUTY-SPEAKER said the numbers of the pages would do that. Mr. PIRANI. - Then, on page 82 there is another picture of the Premier receiving an address of welcome, attired in a suit of pyjamas. There the Premier looms large, and carries another sort of hat-a sort of operatic head- gear. Mr. DEPUTY-SPEAKER .- I do not think the time of the House should be taken up by reading all the descriptions. Mr. PIRANI .- Well, on page 87 there is the fifth picture of the Premier. Yet the Premier wanted the House to believe there were only two. I leave the House to judge now who has got the defective eyesight. Mr. SEDDON .- I take, first of all, Mr. Fit- chett's letter. In the article in this paper you will find where Mr. Stead says that my name only occurs three times in the article. Now, we have a list supplied by the Under-Secretary of Lands to the Review of Reviews. This is the complete list of pictures which was sup- plied : (1) Tikitere, Auckland-

only refer to the pictures in which the Premier appears. Mr. SEDDON .- I bow to the ruling of the chair. An Hon. MEMBER .- You have to. Mr. SEDDON .- Yes, for the present. I say that in respect to my appearing amongst others in a picture of the welcome at Levuka-at the landing at the wharf-that cannot be said to be a picture distinctly representative of the Pre- mier. The honourable member must strike that out of his list. The honourable member referred to a picture in which I do not appear in a distinctive way at all-it is a picture of the Queen of Tonga, and of some one very nearly related to me. The next picture is the King of Tonga, and some one closely related to me, and myself. Then you come to the King of Niue and Premier Seddon, Niue Island. There are a large number of other pictures with large numbers of other persons shown in them, and they cannot be specially put down to me. I say I never saw the pictures that were sent. I had nothing to do with the selection of them ; and when an attempt is made to connect me with them I have a perfect right to place the corre- spondence on the table. Mr. PIRANI .- I desire to make a personal explanation. The Premier said I referred to a picture in which he did not appear, but in which some one nearly related to him did. I am not in the habit of doing that sort of thing. The picture he referred to is that of the King and Queen of Rarotonga, with Mr. Seddon in a Panama hat. Here it is for the House to see. Does the Premier mean to say that he does not appear there? Why, he is the biggest man in the picture. Mr. SEDDON. - I did not say what the honourable member has just stated ; so that evidently his hearing, as well as his eyesight, is defective. I said I was in the picture with some one else nearly related to me. Hon. MEMBERS .- Oh ! Mr. SEDDON .- Oh, you gentlemen oppo- site! It does not matter what the honour- able member for Palmerston says. There is not a man on that side of the House but will swear to it, more particularly if it is against the Government. I am surprised that they should be clacqueurs for any honourable mem- ber. The honourable member has again re- ferred to the address of welcome at Levuka, where there was a reception on the wharf. There were a large number of people at that reception, and it is not specially a picture of myself. I should say that the principal people there were the Town Board of Levuka, who presented the address. Mr. ATKINSON (Wellington City). - I wish to make a personal explanation. The Right Hon. the Premier has misrepresented me. He said that all members on this side of the House invariably support the honourable member for Palmerston whether he is right or

wrong. As one of them, I desire to say that I only sup- port the honourable member when he is right. Motion agreed to. MENT CLASSIFICATION BILL. Mr. G. W. RUSSELL (Riccarton), asked the Minister for Railways without notice, Whether, when the Government Railways Department Classification Bill is going through, he pro- posed to allow members to move increases in the schedule, or whether any proposals of the kind on the part of private members to in- crease the rate of pay would be permitted. Sir J. G. WARD (Minister for Railways) said the constitutional procedure would be followed. MAORI LANDS ADMINISTRATION BILL. Mr. CARROLL (Native Minister) moved, That the last paragraph of the following order of the House, dated 4th October, be rescinded : That there be laid before this House a Return showing,-(1) The total area of land now owned by Maoris within the North Island of New Zealand, distingushing therein papatupu lands and lands held under any description of ascer- tained title ; (2) the total area of such Maori lands contained (a) within each separate Coun- cil district constituted under "The Maori Lands Administration Act, 1900," (b) within that portion of the North Island for which Council districts under the said Act have not as yet been constituted, (c) within the boundaries defined by "The Urewera District Native Reserve Act, 1896," and amending Acts, (a) within "The Thermal-Springs Districts Act, 1881," and amending Acts, and (e) within "The West Coast Settlement Reserves Act, 1892," and amending Acts; and (3) the total Crown valuation placed upon, and the total Maori population resident within, each of the above- named districts respectively. The said return to be laid upon the table of this House before the debate is taken upon the second reading of the Maori Lands Administration Act 1900 Amendment Bill. The last paragraph stood in the way of the House dealing with the Bill. It would take two years to get the return. Many of the more important details could, however, be provided, and all the available in- formation would be forthcoming. Mr. KAIHAU (Western Maori) opposed the motion. The return, which was moved for by himself, was granted on the 4th October, and the information asked for should certainly be furnished to the House before the debate was taken on the Bill, for the reason that the Bill directly affected Maori lands. It affected all descriptions of lands, whether under Crown grant or otherwise, held by Maoris throughout New Zealand. His object in asking for the return was that the Government might place before the House the exact position of the various districts that would be affected by the Act, and in order to afford an opportunity for members of the House to judge for themselves what was the desire of the Maoris in the Coun- cil districts -- whether they were opposed to the measure or in favour of it. Petition after petition had been presented to the House on behalf of Maoris throughout the North Island strongly protesting against the Maori Lands Administration Act of last year, and his

own constituents were very anxious to know how the amending Bill now before the House would affect them. In view of those facts he desired that the return should be laid on the table of the House before the debate was taken on the second reading of the Bill. When the return was granted the Government must have understood the reason why it was asked for. He would not expect the Government to agree to any absurd or vexatious request, but, as the return was granted as asked for, he must ob- ject now to the motion proposed by the Native Minister, which, if carried, would frustrate his main object in asking for the return. Motion agreed to. # DUNEDIN WATERWORKS EXTENSION BILL. On the question, That the Bill be read a second time, Mr. T. MACKENZIE (Waihemo) said this measure took considerable powers, and deprived the suburbs of the City of Dunedin of privileges they had hitherto possessed. It took authority to increase the charges which the City of Dun- edin might impose upon the suburbs from 6d. to ls. for 1,000 gallons of water. Now, that was a violation of the covenants of the 1878 statute, and he felt quite persuaded that, if the honourable member in charge of the measure realised what was really proposed, he would agree that the original conditions of the Act of 1878 should remain and not be altered. If the honourable gentleman gave him that promise he would be quite prepared to accept it, and say nothing

more about the matter. Mr. MILLAR (Dunedin City) said the posi- tion was this: Under the old agreement the water from the existing reservoirs had to be supplied to the suburban boroughs at 6d. per thousand gallons. Well, that would continue under the existing conditions ; but it was abso- lutely impossible, from the present reservoir, as the honourable gentleman knew, to supply the requirements of the higher levels of the suburbs of Dunedin. These suburbs of Dun- edin were not in a position to establish a water- supply of their own, and the city had been asked to erect a reservoir sufficient to meet the requirements of the suburbs on the higher levels. If the suburbs opposed the conditions contained in the Bill the city would not go on with the thing at all -and the honourable gentleman knew that- because there would be a dead loss. Therefore. as the honourable gentleman would see, unless power was granted under this Bill that the maximum should be 1s., it would be impossible for the city to go on with the scheme. It did not affect the exist- ing agreement at all, and it was only the higher levels which might take it hereafter that would be affected. Mr. T. MACKENZIE said the honourable gentleman stated that the water-supply from the present reservoir would be continued at the ordinary rates, but he thought if the honour- able gentleman would read the Bill very care- fully he would not discover this was so. The Bill took authority to increase the rates for water to the suburbs of the City of Dunedin to the extent of 1s. per thousand gallons. Now, he had objections from the leading residents of Mornington and Roslyn stating that they dis- tinctly disagreed with the proposal contem- plated in this measure. It was a violation of sections 3 and 4 of the Act of 1878. It was not his intention to unduly delay the House, but in Committee he would do his best to insist upon striking out that clause. Mr. CARNCROSS (Taieri) was exceedingly sorry indeed to find himself once more placed in opposition to a Bill introduced by the honour- able member for Dunedin City. It seemed very strange that all the Bills introduced by the honourable member for Dunedin City (Mr. Millar), affected his constituency. We had a case of that kind yesterday, and now here was another Bill which largely affected a portion of his constituency, in the matter of taking land and water-rights. He had a petition signed by a large number of his constituents asking him to oppose it. He would not delay the House at this stage, but would endeavour to arrange with the honourable gentleman in charge of the Bill before it reached the Committee stage. Bill read a second and a third time. HOKITIKA HARBOUR BOARD ENDOW- MENT BILL. Mr. PIRANI (Palmerston) moved the second reading of this Bill. Mr. MEREDITH (Ashley) thought the honourable member in charge of the Bill should explain its provisions. Mr. SEDDON (Premier) asked the Deputy- Speaker to rule whether an honourable mem- ber could move his Bill without his authority ; he did not consider this Bill had been moved. Mr. DEPUTY - SPEAKER said the Bill having been ordered to be read a second time, and to-day appeared on the orders of the day, it was in possession of the House, and if the member in charge did not move the second reading any other member could do so. Mr. MEREDITH said he did not offer any objection to the Bill ; he merely wanted some information. The Public Works Statements of the last two years showed that an undue pro- portion of the public funds were allocated to the West Coast. Mr. SEDDON said the Bill dealt with a piece of land on the Spit at Hokitika which had been formed by the harbour protective works, and the object was to vest this land in the Harbour Board. In regard to what the member for Ashley had said, he might mention that all the money the West Coast got last year was $11,000. Bill read a second and a third time. CITY OF CHRISTCHURCH ELECTRIC POWER AND LOAN EMPOWERING BILL. On the question, That the House do go into Committee upon unopposed local Bills, Mr. COLLINS (Christchurch City) asked if the unopposed local Bills which had just passed their second reading were to be at once moved into Committee, before the local Bills on the

number of other Bills, among them the City of Christchurch Electric Power and Loan Em- powering Bill, of which he had charge, which he thought should at least be put through their second-reading stage before any of the local Bills were taken into Committee. Some of the Bills he referred to dealt with matters in con-

nection with large cities, and were of an ex- tremely important character, affecting not only the well-being of the localities immediately concerned, but to a great extent the prosperity of the colony. He thought it quite unfair that those Bills should be practically shelved now while other Bills of relatively minor importance should be allowed to pass. The Order Paper was being treated in a way it had never been treated before, and he must protest against it. Mr. G. J. SMITH (Christchurch City) asked if the Premier would give the House an oppor- tunity of taking the second reading of the City of Christchurch Electric Power and Loan Em- powering Bill, which on the previous day's Order Paper was No. 9, but which was now put down near the bottom-No. 25. Neither he nor his colleague Mr. Collins desired to impede the progress of any other local Bill, but he thought the House should agree to have a debate on this Christchurch City Bill. He asked the Premier to afford members an oppor- tunity of hearing both sides of the question. Mr. SEDDON (Premier) would promise that the Christchurch Bill would be placed third of the local Bills on the Order Paper. Mr. G. J. SMITH pointed out that a Bill which was strongly opposed would come before it. Mr. SEDDON said he could not alter that. Mr. G. J. SMITH said the position of other Bills had been altered. AND WAIMATE COUNTIES' LEVELS BOUNDARIES ALTERATION BILL. On the question, That the Bill be read a second time, Mr. RHODES (Ellesmere) said that, out of regard for other members who had Bills on the Order Paper, he would not take up the time of the House by opposing the Bill on the second reading, but he would oppose it when it was in Committee. He would move the amendment standing in his name on the Order Paper, and he had reason to believe the honourable member in charge of the Bill would come to a compro- mise. Bill read a second time, committed, and re- ported. On the motion, That the Bill be read a third time, Mr. RHODES (Ellesmere) moved, as an amendment, That all the words after "That " be omitted, with the view of inserting "the Bill be recommitted." He would like to ex- plain that the Premier, in moving to commit the local Bills that afternoon, had mentioned this one as being opposed, and, not having heard the Deputy-Speaker's ruling, he (Mr. Rhodes) did not know the Bill was to be taken at such an early stage in Committee. Mr. Collins and at the time he left the sixth Bill on the Order Paper was in Committee. He had only time to go to the letter-boxes and walk to the end of the lobby, and on returning to the House he found that this Bill, which was the ninth on the list, had gone through, showing the rate at which Bills had passed through the . - House this afternoon. On the second reading of the Bill he stated that he was opposed to the Bill ; and the honourable member in charge -Major Steward-then came to him and said the best thing to do would be that he (Major Steward) should agree to the amendment, and, on the understanding that the amendment \--- would be included in accordance with that agreement, he (Mr. Rhodes) did not anticipate that there would be any trouble. Mr. FISHER (Wellington City) said he had 1 called attention earlier in the afternoon to the fact that the Bill was opposed, and ought to to have been put among the other opposed Bills. When the Bills were in Committee they were rushed through at such a rate that he called the attention of the Acting-Chairman to the pace at which the business was going on. He also mentioned to the Committee that the member for Ellesmere had expressly stated to the House that he would allow the motion for the second \-- reading to pass to save time, on the understand- ing that an opportunity would be given to him to urge his objections when the Bill was in Committee. Then, when the measure was in Committee, he (Mr. Fisher) spoke on a motion, not that he had any interest in the Bill, but simply to give the honourable member for Elles- mere time to return to the chamber and urge his objection ; but notwithstanding all remon- strances the matter was pushed on. No one seemed to be willing to extend the usual \- courtesy to the honourable gentleman, how- ever, and, with railway speed, the measure was taken through, although it would have \-- - been only right to give the opportunity to the honourable member, who, in order to facilitate the expeditious progress of the Bills, had missed his opportunity on the second reading to say what he wished to say. The experience was one that would, at any rate, teach the member for Ellesmere that in future he should trust to nobody, and should not absent himself from the House from

any cause, however pressing. Major STEWARD (Waitaki) opposed the mo- tion for the recommittal of the Bill. The posi- tion, he would explain to the House, was this : The two upper ridings of the Waimate County. called Upper and Lower Pareora, desired to be transferred to the Levels County, because they were much nearer to Timaru than to Waimate. The whole of the lower riding was unanimous in wishing to go over, but the other riding was divided in opinion. He might add that the weight of rateable value was in favour of those who wished to be transferred. Taking the two ridings together, he found that there were 115 petitioners for and seventeen against, and that in rateable value the totals were #426,000 as against $57,000. The County Council knew what was going on, and had not petitioned

not demur to the lower riding going over. When the Bill was in Committee he was kindly relieved in acting as Chairman by Mr. Deputy- 'Speaker, and, under the circumstances, he was bound to allow his Bill to go forward. Mr. J. ALLEN said the honourable gentle- man had agreed to a compromise with the honourable member for Ellesmere. Major STEWARD said, No, he had not; he had merely remarked to the honourable member for Ellesmere that it might be best at a later stage to agree to a certain course. Mr. HALL-JONES (Minister for Public Works) was sorry the member for Ellesmere was not in the House when the Bill was going through Committee. He thought the House might be under a misunderstanding as to the honourable member's position with regard to the Bill. It might be assumed that the mea- sure concerned the Ellesmere electorate ; but the fact was that the Ellesmere electorate was over a hundred miles from the districts men- tioned in the Bill, and was not affected at all. The alterations were within the Waitaki elec- torate. The two ridings must go together, and the suggested compromise would mean that the traffic from the hilly country would go over the low-lying country, which would have to bear the cost of maintenance of the roads. The proper course would be to let the Bill go for- ward, and allow the two ridings to be joined to the Levels County, in accordance with the wishes of the majority of those concerned. The House divided on the question, "That the words proposed to be omitted be re- tained." AYES, 19. Allen, E. G. Hogg Stevens Steward Kaihau Bennet Ward. Carncross Lawry McGowan Flatman Tellers. Gilfedder Mills O'Meara Hall Barclay Hall-Jones Seddon Hornsby. NOES, 30. Allen, J. Graham Millar Hardy Monk Arnold Heke Russell, G. W. Atkinson Bollard Herries Russell, W. R. Buddo Hutcheson Tanner Thomson, J. W. Carroll Lethbridge McGuire Collins Witheford. Mckenzie, R. Tellers. Duncan McNab Ell Massey Fisher Meredith Rhodes. Fowlds Majority against, 11. Amendment agreed to, and Bill ordered to be recommitted. IN COMMITTEE. Mr. SEDDON (Premier) moved, That pro- gress be reported. The hour of half-past five having arrived, the CHAIRMAN reported that no progress had been made in this Bill. Leave was given to sit again. GROUND BILL. The House divided on the question, " That this Bill be further considered in Committee." AYES, 31. O'Meara' Allen, J. Hardy Arnold Rhodes Heke Herries Barclay Stevens Bennet Hogg Steward Bollard Hornsby Tanner Lethbridge Carncross Thomson, J. W. Collins Massey Witheford. McGuire Ell Fowlds McNab Tellers. Graham Millar Atkinson Hall Hutcheson. Monk NOES, 13. Mckenzie, R. Ward. Duncan Meredith Flatman Hall-Jones Tellers. Mills Seddon Buddo Lawry McGowan Thompson, R. Fisher. Majority for, 18. Motion agreed to. LAND-TAX AND INCOME-TAX BILL. Mr. SEDDON (Colonial Treasurer). 7.30. -Sir, this is merely a taxing Bill; it is the same as the Bill of last year, and is simply necessary so that we can get our taxes collected. I beg to move the second reading. Mr. ELL (Christchurch City) .- Sir, I wish to point out that the incidence of taxation is manifestly unfair and unjust, notwithstand- ing the fact disclosed by the latest returns ; yet in the year 1901 we are collecting £2,597 less land-tax than in 1893. Why I say it is particularly unjust is this : We transferred from the consolidated revenue last year $500,000, which is made up on the necessaries of life as regards food and raiment. We have transferred altogether two millions and a quarter of money, and now there is a proposal to transfer another £500,000, and this is being utilised in building up railways, roads, and bridges, which has a distinctly beneficial effect on land-values in the colony. I wish to draw the

attention of the honourable member for Masterton to this point, because, in reply to a question sub- mitted to him some time before the election in respect to the Customs taxation, he said he was opposed to making any alteration in the reduction of the land-tax exemption, because an increase of the land-tax in this way would press heavily and unduly on the small settlers. I beg to say the settlers would be better off if the exemption were swept away, and, as against the amount of extra revenue secured from this source, a reduction of the taxation on the necessaries of life was made. I will ask the attention of the member for Geraldine to the Customs tariff. Let him examine that, and he will find that every article that goes to make up the furnishing of the homes of the people, that are necessary so far as food is concerned, are very heavily taxed. Lampware, cutlery, floor-

valorem duty of 20 per cent., which is equal to about 22} per cent. Then, house-furnishing, clothing-I do not speak of cost of manufac- tured clothing, but I speak of cotton prints. An Hon. MEMBER .- What about boots ? Mr. ELL. - The honourable gentleman knows I am as strongly a Protectionist as any member in this House, but I do not be- lieve in the hybrid tariff we have now. If we had a purely protective tariff, then I would have nothing to say, but the bulk of the taxa- tion from the Customs is revenue. We are taxing a large number of items. Mr. SEDDON .- I rise to a point of order. The Bill now before us is simply a Bill fixing the date upon which the land-tax and income- tax is to be payable. The honourable gentle- man is raising the whole question of the tariff. Mr. DEPUTY-SPEAKER .- I do not think I can prevent the honourable gentleman from making comparisons with regard to the tariff to show how there is not enough or too much proposed to be raised as land-tax or income- tax. Mr. ELL .- I am referring to the land-values of the colony, and I am giving instances to show that the present incidence of taxation does not reflect credit on the Premier, who professes to be a statesman. To allow that value which has been created by the presence of the people, by the expenditure of money on road-work and railway-work-to allow value which has been created by the progress of the country and by the increase of population to escape payment of its fair share of taxation is, to my mind, most unjust and unstatesmanlike. Now, the honourable member for Marsden is a strong ad- vocate of sweeping away the exemption alto- gether ; and I say it would be far better for the small landowners and for the people generally if this exemption were swept away altogether, and the increased revenue from that source used so as to reduce the duty upon food and articles required for furnishing the homes of the people, on clothing and food. We now allow an exemption of $500 of land-value to abso- lutely escape taxation ; but the exemption operates up to fifteen hundred pounds' worth of land, declining £1 for £1 up to £1,500, and it would be far better for the settlers if the exemption were reduced or abolished altogether. Now, with regard to the income-tax, I wish to say that the bulk of it comes from the centres, and I have urged for years past that the exemp- tion is too high. We exempt #300, and, in addition, we allow £50 a year to be utilised in paying life-insurance premiums. That means, practically, that £7 a week is absolutely free from taxation ; and I say it would be far better for the people of the colony if the Premier would reduce the income-tax from £300 to £200. Now, this would not affect the country settler, because the man who owes his income to land does not pay income-tax. I say that would be far better for the people, and would be more statesmanlike on the part of the Premier, if instead of collecting the bulk of the revenue as he does now from cotton goods and other Mr. Ell of life, he would reduce the income-tax exemp- tion and land-tax exemption, and use the extra amount of revenue from that source in reducing the dues on the necessaries of life, and on such articles as cannot be produced in this country. That, Sir, is my excuse for getting up and speaking on the second reading of this Bill. Mr. MONK (Waitemata) .- Sir, I think it is hardly becoming or consistent that those who are advocating the purchase of large improved estates, like the honourable member for Christ- church City (Mr. Ell), should object to the reduc- tion which must necessarily take place in the re- venue by the land-tax when the estates that have been bought by the Government within the last few years have

been exempted from contribution to revenue by a sum of nearly $250,000. Then, again, there are the millions of money exempted in the amounts lent to settlers by the Advances to Settlers Office-an amount equal to £12,500 per annum less than would be on the same money if lent by private enterprise. I think the honourable member is the last who should complain about the decline which is taking place in the land-tax revenue, which, notwithstanding the large estates that have escaped, is only a few thousands less than it was when the buying of improved estates was first introduced. Mr. R. THOMPSON (Marsden) .- Sir, I re- gret that the session is likely to close without the Premier being able to give effect to the promise he made last year to the House that he would make a reduction in the mortgage-tax. We understood last year that the mortgage-tax would be dealt with this year, and now we are nearly at the close of the session and nothing has been done in that direction. I can assure the honourable gentleman it is a great dis- appointment to many people throughout the colony that some reduction has not been made. At all events, I hold that the mortgage tax should be confined to the unimproved value of the property, and that no person should have to pay tax on his improvements. Mr. G. W. RUSSELL (Riccarton) .- Sir, I cannot let this opportunity go without saying, with reference to the remarks of the honour- able member for Waitemata, that I am one of those who hold very strongly that leaseholders in perpetuity ought not to be allowed to escape paying their fair share of the land-tax. These people have interests in land which, if they come within the limitation of value on which land-tax is levied, certainly ought to pay their share of the land-tax. The purchases under the Land for Settlements Act amount now to nearly two millions sterling. The whole of that pro- perty when in the hands of the private owners was paying its fair share of the land-tax, and you now have the anomalous position of per- sons occupying leases in perpetuity, which for all practical purposes are actually better than a freehold, escaping all land-tax, while the free- holders of the colony are compelled to pay 1d. in the pound on the value of their properties over £500, the present exemption. I believe it is unfair to the freeholders of the colony that

time is not far distant when the Premier will be compelled, whatever his feelings may be, to face this question of having a land-tax that goes over the whole of the lands of the colony, instead of a large part of the lands of the colony being exempt. Mr. NAPIER .- So it does. Mr. G. W. RUSSELL .- The honourable gentleman is utterly wrong. There is no land- tax upon leases in perpetuity. Mr. NAPIER .-- There is. Mr. G. W. RUSSELL .- The honourable gentleman does not know what he is talking about if he says there is. The Government have time after time on the floor of the House admitted what I say to be the case, and if the honourable gentleman asks the Premier whether the land-tax is being paid on leases in perpe- tuity the Premier will tell him it is not ; and if the Premier does not tell him that, he is stating what is not correct. An Hon. MEMBER .- No lease in perpetuity for taxation purposes has amounted to £500. Mr. G. W. RUSSELL. - The honourable gentleman says the value of no lease in per- petuity for taxation purposes has amounted to .$500. I could tell him of cases within the last six months of persons on the Cheviot Estate who have sold their leases in perpetuity for £1,600-£1 per acre of their holdings being thus paid for good-will. Mr. MILLS. - Including their improve- ments ? Mr. G. W. RUSSELL .- Well, that was the good-will of what they sold. Surely the honour- able gentleman knows there are persons who are occupying blocks of land, in some cases worth thousands of pounds, under lease in perpetuity who ought to pay their fair share of land-tax. Take the Elderslie Estate, in the north part of Otago. That property was bought from Mr. Reid for somewhere about $70,000, and cut up amongst about twenty-four settlers, the average value of the sections in that estate being over $3,000, and not one penny of land- tax is coming in from that property since it was purchased by the Government and taken over. Mr. NAPIER .- That is incorrect. Mr. G. W. RUSSELL .- If the honourable gentleman applies to the Commissioner of Taxes, or to any responsible person in connec- tion with the Government of this colony, he will find that what I am stating is correct, and it is what every member of the House who knows anything of the subject is aware

of- namely, that no land-tax whatever is paid on any leasehold in perpetuity -that the law holds that the person who occupies land under that tenure has no interest in that land that could be taxed. And yet we all know that, while he may not have according to the legal idea an interest in that land which can be taxed, he has a precious good interest in the land, which he is able to sell. Now, Sir, the effect of the shrinkage of the land-tax through these large estates being taken over by the Government has been that the valuations throughout New ment during the last few years in order to try and keep the land-tax at its normal level. I have for a number of years past in this House been pointing out that the land-tax was shrinking as compared with the in- crease inland-values, and in 1895 the Govern- ment brought down an amended Land Valua- tion Bill and set up a Valuation Department for the purpose of endeavouring to force up values. This has been done in order to try and make the direct taxation keep somewhere level with the tremendous increase of indirect taxa- tion through the Customs. Thus the amount lost by the non-taxation of the leaseholders in perpetuity is endeavoured to be wrung out of the freeholders. Such a position is unfair and inequitable. Everybody knows that the taxa- tion of the people of the colony through the Customs has enormously increased during the last eight or ten years ; while, on the other hand, comparing the land- and income - tax which is returned now with what was returned under the property-tax, which was repealed in 1891, the increase is comparatively small. And, of course, that must obtain where you have a policy going on under which large and valuable estates are being taken from their present owners and relieved from taxation. I appeal to the Premier to consider this question. I do not ask him to consider it now, but the time must come when, in fairness to the freeholders of this colony, he will be bound to say that the men who hold this land for 999 years, in some cases at 4 per cent. and in some at 5 per cent. on the present land-values, and are escap- ing taxation unfairly, must, in justice to the rest of the taxpayers, be made to pay their fair share on the value of the lands they are hold- ing. Mr. NAPIER (Auckland City) .- The honour able member who has just sat down is entirely unacquainted with the state of the law with regard to the taxation of leasehold interests in land. "Land " is defined, for the purpose of taxation, in " The Land and Income Assess ment Act, 1891," as follows :- "' Land ' means and includes all lands, tene- ments, buildings, and hereditaments, whether corporeal or incorporeal, and also includes all chattel interests in land." Now, a Crown lease in perpetuity is a chattel interest in land, and lessees under that system of tenure are taxable when their leasehold in- terest acquires a taxable value-that is, when it exceeds $500. But what the honourable member is confusing is this: The interest of the Crown lessee is not the value of the fee- simple : that is held by the Crown, and is not taxable, and the lessee in perpetuity does not pay any land-tax on the value of the fee-simple ; but his interest in the land is taxable as a chattel interest, and when, as in many cases has already happened, the unimproved value of the lessee's interest amounts to a sum exceeding $500. which is the universal exemption, then it is taxable on the sum in excess of $500. There are, to my knowledge, cases in the North where the unimproved value of a Crown lessee's inter-

ducted from the £1,000 and the lessee is taxable on the balance of #500 if there is no mortgage on his land, and if there be a mortgage the amount of mortgage is deducted from the tax- able value. An Hon. MEMBER. - No. Mr. NAPIER .- All I have to say is this : that five Judges of the Supreme Court have held that all leasehold or chattel interests are taxable. An Hon. MEMBER .- In what case ? Mr. NAPIER .- In the case of the Commis- sioner of Taxes versus the Kauri Timber Company. An Hon. MEMBER. - That was not a lease in ! the opinion that the mortgage-tax was out of perpetuity. Mr. NAPIER .- The honourable member does not know anything about it. In that case five Judges of the Supreme Court unanimously held that all chattel interests in land were taxable. And not only leases, but mere licenses in the nature of easements are taxable. If a person has a license to do a certain thing upon land, and the value of that license is worth more than $500, he pays land-tax on the excess over #500. All interests of

whatsoever kind or nature in land are taxable, provided the taxable value is reached. A right to cut timber, a right to take coal, or any similar right is taxable now as " land." Therefore I say that the interest of lessees in perpetuity in the land is taxable. Of course, I recognise that the value of the fee- simple at the date of the lease escapes taxation because it remains with the Crown. When a large estate is purchased and cut up for settle- ment by the Government, no doubt a large amount of land-tax is lost, because the large estate paid land-tax on the fee-simple value, and to that extent the Crown loses the land- tax, the land being cut up into portions the leasehold interest in which will not for some years exceed as a rule the value of #500. But, as I have said, when the lessee's interest is of a value exceeding $500 it is taxable under the Land and Income Assessment Act. Mr. McNAB (Mataura) .- I want to throw oil on the troubled waters. I have a return here, dated 13th August, 1901 :- " Ordered, That there be laid before the House a return giving the total amount of revenue collected by way of land-tax from the holders of leases in perpetuity."-(On the mo- tion of Mr. Hutcheson.) "Amount of land-tax collected from the holders of leases in perpetuity in respect of such leases -- Nil. "JOHN MCGOWAN, Commissioner of Taxes. .. Land- and Income-tax Department, Wellington, 21st August, 1901." I hope now there will be no uncertainty in regard to this point. Mr. NAPIER (Auckland City) .- The honour- able member for Mataura appears not to have understood my argument, and therefore has unconsciously misrepresented me. I admit that no land-tax has been collected yet from the lessees under the lease-in-perpetuity system, for the reason that the value of their interest Mr. Napier interest exceeds $500-which has happened in the North in some cases-the lessees will have to pay the land-tax on the value of their interest above $500. With the rapid increase of population the unimproved value of the Crown lessees' interest under the 999-years lease will soon reach a respectable taxable value. Mr.GRAHAM (Nelson City) .- Sir, the Premier has on several occasions stated from his place in the House, and also in the Financial State- ment, that he agreed with those who expressed all proportion, and he distinctly promised last year to reduce it. Its inequitable character has been shown both inside and outside the House. On the Financial Statement debate I proved to the House and the country that the mortgage- tax was at least four or five times more burden- some than the income-tax, and I want the Premier, therefore, in his reply, to explain why, in view of his own acknowledgment that it is altogether unreasonable and burdensome upon taxpayers, he retains the tax of 1d. in the pound, or 8s. 4d. per cent., on mortgages. It is disappointing that the Premier has not kept \--- --- his promise. There are other ways of making up the amount-some £25,000 - if it is required. It could be made up on the graduated land-tax ; or, in another way, by a reduction of the exemp- tion of the income-tax. That would be far more fair on a large number of people 8.0. than burdening so many poor people, \-- whose necessities compel them to borrow, by making them pay an extravagant mort- gage-tax. As has been stated by the honour- able member for Christchurch City (Mr. Ell) \-- the present exemption from income-tax is £300 a year, plus £50 allowed for insurance. That is \- a very considerable income to have free of taxa- \- tion ; and any person who has got that can \- afford to pay an income-tax of 6d. in the pound on £100 of that $300, if the exemptions were reduced to £200. Then a person who has $300 a year would pay 100 sixpences, which would far more than make up the amount the Trea- sury would lose by reducing the mortgage-tax, and it would be much more fair and equitable. All taxation ought to be equitable and equally \- apportioned upon the shoulders of the tax- payers. In this case the Premier cannot deny that the taxation is out of all proportion un- equal ; and it would give general satisfaction if he would state in his reply that he would reduce the exemption on the income-tax or increase the graduated land-tax, which would make people who can afford to pay bear a fair share of the burden, and proportionately reduce the mortgage-tax. I hope the honourable gentle- man will explain why, under the circumstances, he persists in still levying this unjust tax on those whose necessities compel them to borrow money. Mr. PIRANI (Palmerston) .- I regret that the honourable member for Auckland City (Mr. Napier) should quote precedents hap- hazard when those precedents have no relation \-

honourable gentleman told us just now that the leasehold interest of owners in perpetuity is taxable. I cannot allude to a previous de- bate, but the honourable gentleman has said before that he knew instances where these in- terests had been taxed. Mr. NAPIER .- No, I did not. Mr. PIRANI .- As I have said, I cannot refer to a previous debate or I would quote the passage for the honourable member : but, leav- ing that on one side, the honouralle member now says there are cases in the North where the unimproved value of the lessees' interests exceeded £1,000; and he said that with the idea of making us believe that they were being taxed. Mr. NAPIER .- They will be next time. Mr. PIRANI .- The honourable gentleman has not succeeded to the Colonial Treasurer- ship yet, and the only person who can say that confidently is the Colonial Treasurer. And, to prove the correctness of his argument, the honourable gentleman said that he knew of a case where the Appeal Court had decided that the owners of a lease in perpetuity were liable to taxation on their interests in the land. Mr. NAPIER .- On the chattel interest, I said. Mr. PIRANI. - The honourable member quoted the case of the Kauri Timber Company as a precedent. But there was no such thing as lease in perpetuity in the question. The whole case turned on leasehold interests in Native land. Mr. NAPIER .- Read the judgment. Mr. PIRANI .- I would not like to invite the honourable gentleman to go outside, as he desired me to do, because I know he always likes to pay attention when he hears common- sense. Mr. SEDDON .- You are frightened of the " mailed-fist " of the member for Auckland City (Mr. Napier). Mr. PIRANI .- It strikes me that, when I am not afraid of the Premier, I am hardly likely to be afraid of our New Zealand Napo- leon. But the whole point at issue in this kauri-timber case was this: Was the kauri timber part of the unimproved value of the land - part of the taxable value of the land ? It was a question of taxing the timber, not a question of taxing the owners' interests in the land apart from the timber ; and that was what the whole decision turned on, and the Judges very rightly decided that the timber was part of the unimproved value of the land, and that, as it belonged to the lessees, it was part of their taxable interest. Mr. NAPIER .- Chattel interest. Mr. PIRANI .- Well, the judgment extends to over twenty pages, and I do not think the Hon. the Premier would care for me to read it; but it proves what I say. I would like the honourable member for Auckland City to read it over again, because it is evident be has a hazy recollection of what it is. would also advise the honourable member that it is not safe in this House to quote precedents member only consults the Premier I am sure he will indorse that. But the point that is made by those who say that land held in per- petuity is not liable to taxation is this : that while other leasehold land is liable to taxation - both the owner's and the lessee's interest- and that while land that is mortgaged is liable to heavy taxation - both the owner's and the mort- gagor's interest-the lease-in-perpetuity land is practically not taxable at all. Wedo not know what might occur in years to come. There may be some small interest over $500 that will be taxable, but the capital value of leasehold land held under lease in perpetuity will not be taxable for 999 years. That is practically the position, and no decision can get away from the fact. Mr. HOGG (Masterton) .- Sir, I rather think the holders of leases in perpetuity have been somewhat hardly dealt with in this debate. It is asserted by certain honourable members that they are not being taxed by the Crown. I say that is a total misapprehension. I would be pleased indeed if it were the case that the great majority of the holders of leases in perpetuity were not taxed ; but what is the position at the present time? The lease-in-perpetuity system has been in existence only during the last eight or nine years, and the majority of the settlers who have secured land under that tenure have only been able to get their land cleared and to establish homes for themselves. Many of them are working-men without capital. They have had to borrow heavily, and during the whole of the time occupied in clearing, grassing, and fencing they have been paying rent to the Crown. Local bodies have compelled them to pay general and other rates, and, while many freeholders and large estate-holders have had railways and roads provided free of cost, they have been heavily taxed for improvements that have been made in the shape of roads and bridges. They

have had to borrow money for public works. In many places, such as the special-settlement blocks in my own dis- trict and in the districts represented by the honourable member for Pahiatua and the honourable member for Taranaki, nearly the whole of the land settled in this way has been loaded to the extent of 5s. an acre for roading. What does that mean? That those settlers who hold on the average 200-acre sections have had their land loaded to the extent of #50 per section, and on this amount they are now pay- ing interest. That interest is payable for the whole term of the lease, or 999 years. Earlier this session I asked the Hon. the Premier to alter the law so as to allow these settlers to repay the money borrowed within a term of years, in the same way as moneys borrowed are is repaid under the Loans to Local Bodies Act ; and the reply was that the interest was added to the rental, and must be paid perpetually. When men are paying a heavy contribution like that, it is unreasonable for members of the House to say they are not adequately taxed. I contend that if any members of the com- munity are entitled to consideration from the Crown and this Parliament it is the working-

eight or nine years to make homes for them- selves, and who have been facing difficulties that only pioneers can properly appreciate. And now it is suggested that the exemption should be taken away and they should be taxed. I maintain they are all taxed, and very heavily taxed. Within the last twenty-four hours 1 have received letters from leaseholders in perpetuity in my district, complaining that, while they only occupy about two hundred acres of land, they are paying $15 to £17 a year in taxation to the local bodies. If there is any class that might be taxed with some benefit to the community it is the owners of large estates, who are making their huge possessions inacces- sible, instead of cutting them up or employing plenty of labour on them. In such cases the graduated tax would have a wholesome effect, not because of the amount of revenue raised-that is a mere bagatelle, and I do not take it into con- sideration-but I say the graduated tax would have a beneficial effect if it enabled the Crown to get land for settlement at something like a reasonable price. Unfortunately, the Govern- ment is not inclined to increase the graduation, and that is the reason why close settlement in the North Island has been retarded. I hope the Premier will be able to explain why the mortgage-tax has not been got rid of and the graduated land-tax increased. Why, the tax has been in operation for. I think, over ten years now, and it was never anticipated that it would remain unchanged. 1 am greatly dis- appointed that in regard to land-taxation we have had no alteration. Here we have the Crown acknowledging the fact that they are not able to get land for settlement. While the people are demanding land, large estates con- tinue locked up in a few hands, no proper im- provements are going on, and close settlement is almost at a standstill. Money has been spent to the extent of two or three millions in the purchase of certain estates, and very hard bar- gains are being made ; yet in the face of all this no effective measures are being taken to require the owners of huge unimproved properties to make their land productive, so that it may em- ploy labour and become a source of profit to the State, or dispose of it on reasonable terms for settlement purposes. Mr. NAPIER (Auckland City) .-- I rise to make a personal explanation. The member for Palmerston misrepresented what I said, and I ask to be allowed to correct that. The honourable member stated that I had quoted a precedent which did not exist, and he stated, further, that I said the case of the Kauri Timber Company and the Commissioner of Taxes was a question of a lease in perpetuity. 1 said nothing of the kind. I stated that in that case the whole of the Judges held that all chattel interests in land are taxable. The con- cluding portion of that judgment, reported in Volume 17, " New Zealand Law Reports," is as follows :- "The Act (Land and Income Assessment Act) exempts lands owned or occupied by Maoris only, and not leased to or occupied by any Mr. Hogg vested in Her Majesty, except where there is a tenant or occupier liable to pay such tax." I therefore submit I have shown the validity of my original contention. Mr. PIRANI (Palmerston) .- I desire to make a personal explanation. I would like to point out that the honourable member has mis- represented me. He was arguing on the basis that leases in

perpetuity were liable to taxation, and he said that the Appeal Court had already decided that they were. When I challenged him to name a case, the honourable member said the Kauri Timber Company : and I say that is a Native-land case, not a case referring to leases in perpetuity. Mr. FLATMAN (Geraldine) .- We have had some rather peculiar arguments this evening, and I would like just to say, in answer to the statement of the honourable member for Christ- church City (Mr. Ell), that one might just as well say if you took all the coin out of a man's pocket he would be the richer for it. The honourable member's statement has no weight at all, and cannot be borne out by figures. I wish to point out this: that the $500 exemp- tion on the land-tax is only for the poor man, because it dies away after a certain value of land is reached, and therefore it is simply ridi- culous to speak of abolishing this exemption. I believe that the exemption on the income-tax might be reduced to £200 ; and also I believe the graduated income-tax is as fair as the graduated land-tax, and I do not see why Par- liament should not impose a graduated income- tax as well as a graduated land-tax if necessary. I do not know whether the House is clear upon the argument put forward by the member for Auckland City (Mr. Napier), as the return read by the member for Mataura contradicted his statement, which he asserts is perfectly correct. From the argument put forward by the mem- ber for Auckland City, I think if he misses the portfolio of Attorney-General the Government will do well to hold him in readiness for the position of Valuer-General to the Valuation Department ; and if he receives that appoint- ment I think we shall have an increased re- venue very quick. Mr. MASSEY (Franklin) .- I understand that this is the annual Bill, and therefore that there is no great principle involved, and there can be no objection to the measure. I may say, further, that I do not intend to discuss the whole subject of direct taxation ; but, following up what has been said by the member for Nelson City, I would remind the Premier of his promise last year with regard to reducing what is called the mortgage-tax. This is what he said : - "For some considerable time interest on mortgages has steadily decreased. During the past ten years interest on mortgages has fallen about one-fourth : this makes the 1d. in the pound on the capital value a very heavy charge. The colony has conceded conditionally } per cent. on mortgages under the Advances to Settlers Act, and } per cent. to local bodies on loans under the Government Loans to Local

ditionally a rebate of one-tenth on the half- yearly payments of rents from our Crown tenants, equal to } per cent .: and it follows, therefore, as a matter of abstract justice, that there should be some relief given by a reduction on the mortgage-tax. Many widows, orphans, and others whose living depends on this class of investment are heavily taxed, and I regret not being able to announce this remission as being immediately conceded. However, I in- tend to submit proposals later on in the session that, from and after the 31st March next, the mortgage-tax should be reduced by d. in the pound." That was the opinion of the Treasurer last year. He said that the mortgage-tax was a heavy tax on widows and orphans, and, as a matter of abstract justice, should be reduced ; and he promised to reduce it. That promise has not been kept. We are now in the dying hours of the session, we are winding up busi- ness as fast as possible, but I am quite certain of this, and especially in view of the announce- ment made by the Treasurer a few days ago that the finances of the colony are in a satisfac. tory condition : I am quite satisfied that, if the Treasurer wished it, Parliament would assist him to do away with this iniquitous tax, and thus give effect to the promise he made last year. Mr. R. MCKENZIE (Motueka) .- Sir, I do not intend to delay the House very long in debating this measure, but I am surprised at the honourable member for Franklin not recognising that the circumstances of last year and this are, according to the statements of some of the pettifogging financiers in the House, somewhat different. We were told in the early stages of this session by our tiro financial aspirants to the Colonial Treasury that the finances of the colony were in a hope- less stato of muddle; that there would be an enormous deficit in our revenue during the current financial year ; that the Colonial Trea- surer could not make both ends meet by some hundreds of thousands of pounds ;

and, con- sequently, there was no chance of reducing taxation. In view of the arguments used by the member for Nelson City and other pessimistic, pigmy, financial nonentities in their Budget speeches, how could you expect Government to reduce the mortgage or any other tax this vear ? As a matter of fact, there are very few in the colony who want a reduction in the mortgage-tax. It is only the representatives of wealthy people who are everlastingly agi- tating and intriguing for a reduction. Do honourable members on this side of the House, who represent the mass of the people that have no money to lend on mortgage, ask for this reduction ? Not at all. It is only those who represent the wealth of the colony, and sit mostly on the Opposition benches, who wish to have this reduction. Who gets the benefit ? Does the borrower get the benefit ? Not a cent, because the Government Advances to Settlers Act has regulated the rate of interest in this colony ; consequently, if mortgagees re- second-class securities, and in every case the. mortgagee pays the tax. I hope the Colonial Treasurer will not attempt to reduce the mort- gage-tax, as it is both just and equitable in its- incidence. Mr. BARCLAY (Dunedin City) .- I desire to say a few words before this Bill is put through. The position I want to place before the House is this : The amount of this taxation is utterly inadequate. I say, looking at the value of land in this country, the revenue raised from all sources in the country, and looking at the taxa- tion on land, the amount raised from the un- improved value of land is utterly inadequate .. The total value of the wealth in this colony is over £217,000,000. Of this sum about £84,000,000 is the value of unimproved land. The amount which the land pays for land-tax and local rates is close on #900,000. If you compare the value of the land with the total value of the wealth and the taxation it con- tributes, you will find there is a very great discrepancy. The value of unimproved land as compared with the total wealth is more tham one-third of the whole value. The amount of tax contributed by that land is only about one- seventh of the taxation, and that is not right or fair. And this land of ours, which, as has been said, is the only asset which is a natural one, and which is the property of the people as a whole, and which no one man has a right to more than another, so far as Crown. lands are concerned, is slip-slip-slipping away from us every year in larger quantities. Ì have a return here, which was laid on the table some little time ago, of all the leases. in perpetuity which have been surrendered or. forfeited during the last year; and what do I find ? Almost every one of those surrenders -- and there are a considerable number of them -- have been turned into lands held with right of purchase. In a short time all that land will have passed in fee-simple into the hands of those- people. Here is Auckland, 247 surrenders and forfeitures, every one of them turned into. occupation with right of purchase ; Wellington. Provincial District, 913, all turned into occupa- tion with right of purchase; and so on, right through the provinces. And you may take up- the Year-book, and if you turn up the tables there you will find that the land is going literally by the hundred thousand acres. Moreover, the. large estates are also increasing, as shown by a return lately laid upon the table ; and I say, un- less this tax is increased and unless the land is made to give a larger return than it does to the revenue, that process will go on, and the last state of the people of this country will be ten thousand times worse than it is to-day. Mr. McGUIRE (Hawera) .- Sir, I should like the honourablo gentleman who has just sat down to take up a section of bush land and go in for dairying. If he did he would hold a very different opinion on the question of taxation. It is very much nicer to be a professor of consti. tutional history and a member of the House than clearing, fencing, and subdividing, and bring- ing a farm into cultivation. We have endea-

persons have taught the settlers that freehold is the best tenure; and if the honourable gentle- man was a bona fide settler he would arrive at the same conclusion. People who have taken up 999-years leases have surrendered them, merely because they believe in the freehold tenure; and, no matter what legislation we may pass in this House, the people are determined to have the freehold. I am certain that if the honourable gentleman was a tiller of the soil he would desire to have the freehold, notwith- standing

his arguments. I only wish to say, in conclusion, that I consider the mortgage-tax to be a most unjust imposition, and one which is doing injury to widows and orphans. I was surprised at the argument of the honourable member for Motueka, who calls himself a Liberal. However, I shall not detain the House any fur- ther. The Bill is an annual one, that must be passed, and it has nothing new in it. Let honourable gentlemen set to work and pass the Bill. Mr. O'MEARA (Pahiatua) .- As my name has been mentioned in this debate, I should like to say a word or two on the question of Crown leaseholds. We were told to-night by the member for Riccarton and the member for Christchurch City (Mr. Ell) that the Crown lessees should pay a land-tax. I would ask those two honourable gentlemen, who repre- sent city constituencies, whether, if they were possessed of 200 acres of land and they leased that land to me, it would be fair that I should pay the land-tax on that land, instead of those two gentlemen who owned the land. So it is with the State. The Crown lessees are not the owners of the land. The Government are the people really who should take the money out of one pocket and place it in the other, and so pay land-tax and make up the deficiency which exists owing to the Crown lands being leased to the Crown lessees. With respect to the argu- ment raised by the honourable member for Motueka, he mentioned my name in connec- tion with the mortgage-tax. Mr. R. MCKENZIE. - Because you inter- jected. Mr. O'MEARA .- I was perfectly safe in in- terjecting, because I am strongly in favour of the abolition of a portion of the mortgage-tax, as I believe it to be an unjust tax to levy on the people, who are compelled to accept mortgages in some cases against their own desires. I may say I have not a single shilling loaned 8.30. on mortgage personally, but I have as a trustee, so I am not interested personally either in the abolition of the tax or the reten- tion of it ; but if my vote were taken I should certainly vote for its partial abolition, for this reason : You will find, for instance, a person has an estate, and he dies leaving a family. The estate is left to the family, and one condition of the will is that the estate must be sold within a reasonable time, a reasonable time being twelve months. There are seven or eight child- ren entirely dependent on what they get from The estate is sold for £1,000, the estate. and, as the sale is a forced one, the trustee is Mr. McGuire and #800 on mortgage. The interest is 4 per cent., or £32 a year, and out of that income the trustee representing the family is compelled to pay à per cent. to the Government by way of mortgage-tax. I say that, as far as this tax is concerned, a person may be a direct contributor to the mortgage-tax of the colony by such means as I have stated and also a recipient of chari- table aid. I hope the Premier will keep his promise to the House and to the country, and next session, if not this session, he will take steps to amend the law relating to the mort- gage-tax of the colony. Mr. SEDDON (Premier.)-Sir, I am sur- prised that an hour should have been taken up with discussing whether or not we are going to collect the land- and income-tax this year. Members will recollect that we have been placing very heavy burdens on the people, and we must have the wherewithal to pay our way : and when it comes to asking for a portion of the money, the Bill, I thought, would have gone through the House without the slightest difficulty. No doubt members want to go home ; but they talk all the same. An Hon. MEMBER .- They like it. Mr. SEDDON .- I did not want to say a word about it, but I find now that three ques- tions of vast importance have been raised. I have been told that land-tax is not leviable upon the holders of leases in perpetuity. The member for Riccarton told the House that ; and the member for Palmerston is of the same opinion, and the same opinion is held by a number of other members. The member for Mataura, who knows better, read a return to strengthen the impression, showing how much had been paid ; and the return was nil. But the honourable gentleman was careful not to say they were not taxable. I say they are tax- able, and that the interpretation of the law by the member for Auckland City (Mr. Napier) is absolutely correct. The member for Riccarton says that as no rates are collected they are not taxable. He ought to know better. They are not taxable for this reason : that none of them as yet have gone above the exemption. Hon. MEMBERS .- Oh, oh ! Mr. SEDDON .- If it is so, I will give the reason why the tax has not been collected under the Act. The great majority of the interests of the lessees are mortgaged, and if their

interests are mortgaged they do not pay the tax, and it will not be in this return. Now, I have it from the Tax Commissioner that there is a large number who are just on the margin, and who will come under the Act soon, and have to be taxed. There are a large number who are mortgaged, and who would be taxable if it were not for the fact that they have a mortgage upon their interest. They do not pay the land- tax. Now, I may say I know, myself, that at Cheviot there are interests there that, were it not for being mortgaged, would be taxable ; and I believe, myself, that when the return is asked for later on it will be found that some of these lessees in perpetuity have to pay the land-tax. Now, the same reasoning might have been ap-

plied to many others whose land does not go above the exemption ; but it would not do to say they are not taxable. They are taxable, and liable to be taxed; but we cannot tax them if they have not more than the exemption ; so that that feeling which seems to be present that leaseholders in perpetuity are not taxable under the land-tax is a mistake. The fee- simple, which is held by the Crown, of course is not taxable; but, under the lease in per- petuity, if a lessee's value is £1,000 he would be liable to pay on £500. Now, that is the law. Mr. G. W. RUSSELL. - How are you going to assess his value ? Mr. SEDDON .- How do we assess anybody's value ? I say his interest is taxable. I say it speaks well for those who have been arguing and contending for close settlement, that it so happens that the interests of the lessees in perpetuity and their holdings naturally are so small that they do not come under the land- tax. But they should be no more found fault with than others who in the same way occupy land and do not pay any land-tax. If that is wanted-and I should have thought the mem- ber for Riccarton about the last man in the House who would contend for it-you should bring down the land-tax so as to apply to every farmer and every settler in the country. I be- lieve that with the burdens that are upon the farming classes and the struggling settlers of this country we must give them some relief. And, as compared with what they have to pay with others, I do not think it would be wise to reduce the exemption. That is the opinion I hold. The next charge laid at my door was in respect to the mortgage-tax. I have said-and #cc-zero I admit now on the floor of the House, as I would to the country at any time-that the mortgage-tax, whilst fair in its incidence, is more than should be collected ; that it is too high compared with either the income-tax or the land-tax. Mr. GRAHAM .- Five times as much. Mr. SEDDON .- It is not as much as that,- but it is a very high imposition. Well, I was accused of breaking faith. Now, Sir, what I said last session in my Budget was read, I think, by the member for Franklin. I said, in reply to this-there was no need of disguising the situation -- in my Budget this year,- "In my last Budget I stated that ' for some considerable time the interest on mortgages has steadily decreased. During the past ten years interest on mortgages has fallen about one- fourth; this makes the penny in the pound on capital value a very heavy tax.' I have not altered my opinion, and still consider that the mortgage-tax is too high, and that some relief should be given, provided the finances of the colony permit. Whilst desiring to keep good faith with Parliament, to do so this session would be imprudent, unless the loss of revenue occasioned thereby is recouped." An Hon. MEMBER .- And that exonerates you from your promise ? Mr. SEDDON .- Most decidedly. If I find that the condition of my finance is such, I think it does so. Of course, if I could have seen my way to have carried out what I stated, I should have done so. I held out hopes, and I stated that I should do so this year ; but the circumstances must also be taken into con- sideration. When I found the heavy abnor- mal expenditure thrown upon the revenue this year, and that it was not safe to make the. reductions, I then stated that I could not do so unless the revenue was recouped. I did the next best thing: I commenced to ascertain whether I could get the revenue recouped with- out bringing down an amendment with respect to the mortgage-tax. No, Sir ; my friends oppo- site would not have an increase in the graduated tax, and I found there would be a deadlock, and probably a stonewall set up, and that it was. almost next to impossible to attempt to increase the graduated land-tax. An Hon. MEMBER .- How do you know ? Mr.

SEDDON .- I know a good many things ; and I know generally where I am, and I knew what I had to face. If my friend the honour able member for Nelson City, and the honour- able member for Wakatipu, will guarantee me a recoupment if I pass an Act reducing the mort- gage-tax and increasing the graduated land- tax, I shall be most happy to do so still. The moment you touch your taxation you are met with interests which are affected in some way or other. I find that the taxpayers are only human, and I find that most of the taxpayers are represented in the House, and I am satis- fied myself that there is no chance this year of interfering with the land- and income-tax. The next question I come to is this : Does the land- and income-tax bear a fair proportion to the indirect taxation of the country? I answer that at once, and I say, No. I say, take your Customs duties, and you must come to the conclusion that the amount of direct taxation is not fair compared with that which we impose now in the shape of Customs duties upon the people. If we are to go into the question of taxation we practically want a session for that. purpose, and, rather than simply have one small phase of the question dealt with, I think it is better to allow the whole matter to stand over, and so it stands over accordingly. That is the reply to what has been stated. I do not think anything more need be said. The two main points raised were : (1.) Were leases in perpetuity taxable ? I say they are. (2.) The question, Why not reduce the mortgage-tax? The an- swer to that is: without being recouped it is impossible to do that ; and when members see the supplementary estimates they will realise the fact that, as Colonial Treasurer, I just keep within ways and means. I cannot promise such a reduction, because I want the money. Mr. G. W. RUSSELL (Riccarton) .- I wish to make a personal explanation. I understood the Premier to say he thought I would have- been the last to propose to sweep away exemp- tions. I never made any remark to support that contention ; I have never been in favour of sweeping away exemptions; I never said anything in the House that could justify that. remark.
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able gentleman's explanation. From his re- marks I took it that he wanted the leases in perpetuity brought under the land-tax, and was of opinion that the exemption was too high. Bill read a second and a third time. LOCAL BODIES' LOANS BILL. Mr. SEDDON (Premier) .- This is a consoli- dating Bill. At the present time you have to go through the various statutes since the first law was passed, and it is very confusing. We have carried out in this Bill practically what is in the existing legislation, and there are very few amendments. The Bill will simplify and improve the law. The amendments are as fol- lows : Section 4 provides that preliminary ex- penses and the first year's interest may be paid out of loan. The local bodies have asked for this. Then, in section 5 we have said that maintenance shall not be out of loan. Section 6 provides for loan-moneys being deposited in banks. Section 19. deals with the interest on coupons, and section 81 refers to restrictions on small boroughs. Those are the only clauses containing new matter. As I have said, the Bill goes in the direction of simplifying and improving the law, and I think members will admit the necessity of having the laws consoli- dated. Mr. W. FRASER (Wakatipu) .- I think the Government has acted properly in bringing down a consolidating measure. I should not have risen but that I desired to draw the Pre- mier's attention to a point that has been urged upon him on several occasions by myself and by some other members in this House, and I hope, when this Bill is in Committee, the Premier will accede to what is, after all, only a very reasonable request. I refer to section 49 in Part II., the Government loans to local bodies portion of this Bill. I wish to know whether he would permit a local body that had borrowed money for the construction of a public work in years prior to the placing of the original Act on the statute-book-namely, 1886-to bor- row now under this Bill in order to repay the former loan on maturity. Local bodies, such as small boroughs, in years gone by, had to borrow money for the construction of water- works, and so on, at 7 per cent., and I can see no reasonable objection to the Government lending such local body under such circum- The stances sufficient to repay said loan. Premier so far has declined such request, but I hope, in Committee, he will consent to an amendment being inserted in the direction I have suggested. Surely, if a local body may borrow money

from the Government under this Bill to construct a public work, it ought to be allowed to borrow money on the same terms to repay a loan which it has contracted to con- struct a similar work. If this is not conceded, local bodies which have had to construct these works before the year 1886 must go on borrow- ing money in the outside market at a higher rate of interest than those which have con- structed works after 1886, and that seems to me unreasonable. I shall therefore, in Com- serted in the direction I have indicated. Captain RUSSELL (Hawke's Bay) .- 1 con- gratulato the Government upon clause 5 of this Bill. It may perhaps be worth while passing a Bill for embodying such a principle in our legislation as is set out in clause 5, otherwise one might criticize the methods of the Government in bringing down a Bill which, even though it be only a consolidat- ing Bill, is one of large effect, with a great many clauses, and which should have been in our possession long before it was. Mr. SEDDON. - This Bill has been for a long time before the House. Mr. PIRANI .- It is No. 140, so that it could not have been down long. Captain RUSSELL .- I should like to read clause 5 to the House, so that they may realise that we are at last setting out a principle I have advocated so continually-namely, that loan - money shall on no account be used to repair or renew works made out of loan :- "It shall not be lawful to pay out of any loan the cost of maintenance or repair of any public work or undertaking for which the loan was raised." That seems to me to be a good principle, and I am glad to see the Government are getting sufficiently wise to realise that we must sooner or later practise some such method of pro- cedure. In the public-works estimates we have this year the sum of $675,000 allocated for doing that which is provided in clause 5 shall not be done-or, at least, to a consider- able extent. That is to say, out of the public- works expenditure we are to paint our sheds and do such works as concreting a back yard or repairing the roof of a public building out of capital. Sir J. G. WARD .- No. Captain RUSSELL .- The Hon. the Minis- ter for Railways says "No." Well, I have a great respect for the honourable gentleman's ability. but I believe he is a bit extravagant when he deals with loan-money, and I believe he is pre- pared to go too fast. Well, there is £675,000 set aside for additions to open lines, a large proportion of which additions consist of re- newals, repairs, and maintenance of works which have been built out of loans, and which are now to be repaired or repainted, relaid or renewed, out of loans. As an illustration of the principle of expenditure put before us, there is $675,000 proposed under the public- works estimates for additions to open lines, and a sum of only £531,000, I think it is, for new works. I just draw the attention of the House to the fact that the principles laid down by Minis- ters for the guidance of local bodies are sound, and their practice is illustrated in their ad- ministration of public works. There is another point which I think the House ought to take no- tice of, because it appears to me to be extremely dangerous. Under clause 19 of this Bill deben- tures are to bear interest not exceeding 5 per cent. Five per cent. seems to me too large a rate of interest to pay, seeing that private persons in a moderately solvent position are able to borrow

at 4} per cent. from the financial companies, and the Government are lending to farmers at a lower rate than they propose to authorise the local bodies to borrow at in the open market. When we come to read clause 25 it will be seen that the local bodies are allowed to borrow for a period of fifty years. That seems to me to be an exceedingly dangerous power, for one knows how at times a borrower is prepared to borrow at any rate of interest in order to have money to spend on one purpose or another. But when the colony has been able-it is not able at the present time-to borrow at a nominal rate of 3 per cent .- not an actual rate-even then and at that rate the number of years for which the colony is borrowing may be prejudicial sooner or later to consolidating our loans. But in this Bill, to allow the local body to borrow over a period of fifty years at 5 per cent. seems to me to be dangerous, and that in Committee we ought to have very careful discussion before we agree to it. Another matter on which my mind is not quite clear is that under section 11 it provides, in connection with the raising of loans, that the poll shall be taken in like manner as the poll would be taken for the elec- tion of the local authority, and every ratepayer shall be

entitled to vote accordingly. Well, now, seeing that this says that the poll shall be taken in like manner as is taken in the election of the local authority, we have to look to see what effect that will have in voting for loans to be authorised to be raised in the borough. It may be that I am wrong. It struck 9.0. me, however, there was power here for persons on the electoral roll, but who were not ratepayers, to vote for the raising of loans in a borough. Sir J. G. WARD .- In what section ? Captain RUSSELL. - In clause 11, sub- section (2). However, if it applies to country districts only, and to County Councils, where provisions similar to those of the Municipal Corporations Act of last year has not come into operation, I admit it will destroy my argument. But the main points I have in discussing this Bill are the two clauses which allow power to raise a loan for fifty years at the rate of 5 per cent. I think that is an extremely dangerous power. I consider we ought to shorten the number of years and reduce the rate of interest considerably. Sir J. G. WARD (Minister for Railways) .- Sir, I do not wish to take up the time of the House further than to say that the honourat.le member, in his allusion to clause 5, is entirely mistaken as to the procedure in connection with the expenditure of loan-moneys in any of the Government departments of the country. The honourable member has, I know, a fixed im- pression that repairs and maintenance on our railways are effected out of loan-moneys. There is nothing of the kind done in any part of the country. I have said so before, and I repeat it now : the system adopted on new works-I speak more especially for the railways-is this : If it were a new portion of a building, that, of course, would be a new work, and there would be a charge made upon capital for its cost. If it were for a renewal or repair, under the system adopted that would not encroach in any way on the loan-money, it would be paid for out of revenue solely. These matters are worked under a thorough system by the direction of officers throughout the country. The charging to loan-money or to revenue, as the case may be, is not interfered with at all by the Minister in the carrying-on of the administration. For some years, to my own knowledge, there has not been the slightest departure from that course-that is to say, no loan-moneys have been applied to other than to new works. Mr. HERRIES. - What about bridge- strengthening ? Sir J. G. WARD. - Well, under certain circumstances portions of bridge-strengthening would be classed as a new work. If it were not new, it is the duty of the officers to see that it is paid for out of revenue. Captain RUSSELL .- And painting ? Sir J. G. WARD .- Yes, and painting also. under certain conditions. If you build a new railway-carriage and paint it, that would be a new work. If you added to a station, the new portion, including the painting, would be rightly paid out of capital. If, on the other hand. you built a part of it new and renewed a part of it, of course a portion of the loan-money would be set aside for that portion that was new, and for the portion that was renewed it would be paid out of revenue. If you build a new railway- station or goods-shed and paint it, you would use fresh material and paint upon it ; and I think no person could take exception to the course of capital paying for it, and that is what would be done in that case. If the system were investigated it would be found that it is carried out without interference with any officer in any part of the colony by the Administration : and responsible officers keep the accounts fairly and in a thoroughly open way, and I say positively there is no such thing as charging to loan account works that ought to be charged to revenue. That is the system that has been carried out throughout the length and breadth of the country on the railways for some years. to my knowledge, and it will not be departed from. Then, in the matter the honourable member for the Bay of Plenty has referred to -the strengthening of a bridge-I say that if, as the result of importing heavier engines, you strengthen a bridge, the new material necessary for this purpose should be charged to capital. If you repair a bridge or strengthen it, owing to age or decay, it would be charged against revenue. If you rebuilt a bridge at a cost of £10,000, and the old structure that was re- placed by the new bridge had originally cost £5,000, half of that amount would come out of capital and half out of revenue-that is, each would contribute £5,000; so that, when the honourable member takes credit for clause 5 making it impossible for a local body to use loan-moneys for the purpose of repairs, and suggests the Government should do the same, he must admit either that he is not familiar

with the system, or that the course adopted is quite in accordance with what he advocates.
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the way of painting the Customs and Tele graph buildings, and so on ? Sir J. G. WARD .- If it is a new work it would, of course, be charged to capital account ; but such works of repairs and renewals as the honourable member refers to are not charged to capital account at all, they are paid out of consolidated revenue. I cannot allow it to go uncontradicted. as far the Railway Department is concerned-and the honourable member for Hawke's Bay referred particularly to the Rail- way Department-that there is any such course pursued in that department as is suggested by him-namely, that out of loan-moneys the renewal of old buildings or old railway plant is provided. Such is not the case ; in every in- stance such works are charged to revenue only. Mr. MASSEY (Franklin) .- The honourable member for Hawke's Bay was apparently under the impression, not having had sufficient time to read the Bill, that it did not apply to boroughs. But while he was speaking I glanced through the measure, and I found that by clause 80 it does apply to boroughs with a population of less than four thousand. Clause 80 says :- "This Part of this Act shall not apply to boroughs, except for the following purposes :- " (1.) (a.) The construction of a wharf under the control of the Council, or of a bridge on a main road, or of a punt for a ferry where no bridge is provided on such main road ; "(2.) The construction of water - supply works ; "(3.) The constructing of works for sanitary purposes under section sixty-six of ' The Public Health Act, 1900' ; " (4.) The erection of an abattoir," et cetera. Therefore, though it does not apply to boroughs in the same way that it applies to counties or road districts, yet it does apply to boroughs for the purposes I have mentioned. Mr. HORNSBY .- There is a further restric- tion later on, in clause 81. Mr. MASSEY .- Yes, with regard to popula- tion ; but, of course, I cannot read the whole measure-my time is valuable. But, I was going to say, I am strongly of opinion that a consolidating measure is necessary, because we have had so many amending Bills from 1886, when the Government Loans to Local Bodies Act was placed on the statute-book, down to the present time that it is quite impossible for anybody but an expert to know what the posi- tion really is. Then, there is something more wanted. I am quite sure the Colonial Trea- surer will remember that there have been many mistakes made in procedure by local bodies who have found it necessary to borrow under this Act ; and would suggest to the Hon. the Treasurer that he should instruct his depart- ment to draw up a simple set of rules and instructions for the benefit of those local bodies who wish to take advantage of the Act, and so that mistakes may be avoided in the future. I am sorry the Bill was not in- troduced earlier in the session, when it might have amendments placed in it such as were suggested by the honourable member for Waka- tipu. Sir, I believe in the principle of the Government Loans to Local Bodies Act. I be- lieve it is one of the best and most useful mea- sures ever passed by the Parliament of this country, and I would like to see it extended so as to do away with the necessity of voting so- much money in the public works estimates as we are compelled to do at the present time. Mr. PIRANI (Palmerston) .- I only want to. say a word. I am sorry the Premier has not included in this Bill more liberal proposals in regard to boroughs. I do not see why the country districts of the colony should get such an enormous advantage in the obtaining of money they want for public works, while the boroughs of the colony, except in regard to certain works, are debarred from taking advan- tage of the Government Loans to Local Bodies Act. In many cases it is a very great hardship to boroughs where the population is increasing rapidly. It is impossible for them to float loans on terms anything like as good as the Government can offer under the Government Loans to Local Bodies Act ; and I cannot see the logic of limiting these proposals to. the very small boroughs, and to the country local bodies. I might say, in regard to the- borough in my electorate, that a few years. ago it could borrow under this Act ; but .. because it has had the temerity to increase in size, and because the population has grown, · they cannot borrow for several purposes under this Act. I would like to ask the Premier to consider this matter, and see whether it is not possible to concede to boroughs, at any rate, small borrowing-powers under this Act.

The Borough of Palmerston is a very large one, nine square miles in extent, and owing to its size there are streets that are not properly con- structed. Small loans of, say, from £100 to £800 would enable such streets to be formed without the expense being a very great hard- ship on the ratepayers ; but it is almost an im- possibility to raise loans like that except under some such medium as is provided in this Bill. I trust that the Premier, before the Bill is finally dealt with, will consider the advisa- bility of embodying some such principle in this Bill, and so remedy the hardships which so many people are now suffering under. Mr. J. ALLEN (Bruce) .- I suppose all the members of the House are in favour of the Local Bodies' Loans Act, and the Government Loans to Local Bodies Act. I would like to see these matters put on a more satisfactory footing than they have been in the past. We will hear what the new matter is in this amend- ing Bill when the Bill goes into Committee. I hope it will make the Act more easily avail- able to local bodies than it is at present. But I rose to suggest a question which, later on, the Minister for Railways might answer. He stated, in reply to the member for Hawke's Bay, that it was not the practice in New Zealand in any department at all to charge to capital account items that in ordinary business & man would
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Minister will have an opportunity of giving to us a statement as to what is being done in the manipulation of capital and revenue in respect to our railways. I asked the honourable gentleman across the flo .r of the House whether hc referred to other departments of the (io- Vernment, and suggested to him the Post and Telegraph Department. Now, I would like him to answer, when the debate comes on on the Public Works Statement, this question, and I will give him the opportunity of preparing an answer for this question : Whether, out of the Consoli- dated Fund, any provision is made for repairs, or for the painting of Customhouse buildings, Post and Telegraph buildings, and various other buildings ? That, I say, ought to be charged to the Consolidated Fund so far as repairs and maintenance are concerned. I called his atten- tion to the fact that on the Public Works Fund there appear items like this : "Refencing the grounds, Government Buildings, $700." Is that not replacing a fence already in existence ; and, if so, why is it charged to capital account and not to the Consolidated Fund? Then, I ask, with regard to the Courthouses, whether " Papakura, repairs and painting," is new work, or whether it is not work which ought to be charged to revenue ; and whether the repairs and painting at Taupo, Napier, Waipawa, Patea, Reefion, et cetera - numerous other repairs and painting-whether all these are items which should properly be charged to revenue and not to capital ; and if so, where in the Consoli- dated Fund appears any item for these repairs, et cetera? Then, I would like to ask him whether the item " Maintenance "-he is a busi- ness-man - ought to be charged to capital ac- count. Does he charge maintenance on the railways to capital account ? An Hon. MEMBER .- Not much. Mr. J. ALLEN .- " Not much," says an honourable member. Yet I find, from the Public Works Accounts, that maintenance, re- pairs, and inspection are charged to capital account. Gaols are the same, and police-sta- tions are the same. Police-stations : main- tenance, repairs, and contingencies are charged to capital account. Post- and telegraph-offices are the same; repairs and painting and other items are charged to capital account, and in- spection and contingencies are also charged to capital account. And I ask where it can be shown that charges for repairs and painting are charged to the Consolidated Fund. I shall have an opportunity of discussing this matter when the debate on the Public Works State- ment comes on, and I give the honourable gentleman fair warning that I shall ask these questions, to which I consider the public are entitled to an answer. Mr. SEDDON (Premier). - I should have thought that after the long time the honour- able member has been in the House he ought to have known, in respect to the Public Works Statement and estimates, that charges for maintenance are met out of consolidated re- venue. The honourable member is misleading the House; he must know that #500,000 was VOL. CXIX .- 50. the Public Works Fund this year. Last year we transferred to the consolidated revenue $500,000, so that in the two years we have trans- ferred £1,000,000. It lies, therefore, with the honourable gentleman - and I defy him, to show me in these

estimates anything like £500,000 for repairs and maintenance. The honourable gentleman is trying to make out that painting and repairs of buildings are charged against loan-moneys, keeping back the fact that to cover the expenditure £500,000 was transferred to the Consolidated Fund. If the honourable gentleman was a new member coming for the first time, and having no know- ledge of finance, I should be inclined to excuse him ; but coming from him, I must take it not as a matter of ignorance, but as being done wilfully for the purpose of misleading. If the honourable member took the trouble to compile from the estimates the amounts for repairs and painting, and what is termed " maintenance," he will not find one-half of half a million. I say we are doing, and have done, good work in relieving people from loan expenditure. Captain RUSSELL. - Explain how there is & surplus. Mr. SEDDON .- It is money left over from last year on the Consolidated Fund, and trans- ferred. The honourable gentleman has seen the Statement himself. I had nearly £600,000 at the end of the year over and above the requirements. An Hon. MEMBER .- No; there were works that should have been paid for. Mr. SEDDON. I could not pay for a thing that was not done. These are works that are to be done, and no one knows it better than the honourable gentleman opposite ; and why those honourable gentlemen will waste the time of the House and the country by trying to make points against the Government I do not know. The honourable gentleman did not state this as a fact; he simply said, "I will ask the Minister for Railways by-and-by how he is going to explain that." Now, coming to the remarks of the honourable member for Hawke's Bay in respect to the renewals and additions to open lines, it is quite true we have this year £675,000 on the estimates; and I might tell the House that the Government in that respect are in serious difficulties, because it is questionable whether it will meet all that is required. And why? Last year the House gave us $600,000 for that purpose. The liabilities were voted by the House and allo- cated for that purpose. If members will look at the estimates they will find that only £325,000 came to book, leaving £275,000 for this year out of the £600,000. I suppose the honourable member for Hawke's Bay has for- gotten that last year out of the $600,000 only $325,000 was spent. Captain RUSSELL .- What were your lia- bilities ? Mr. SEDDON .- But we had to send to America for locomotives and wagons. Captain RUSSELL. - You were £125,000 over your ways and means.

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honourable members not to interrupt. Mr. SEDDON .-- You will note, Sir, that on this side of the House we have silence and good behaviour while members are speaking opposite. When those members' statements are refuted they interrupt. I admit that $675,000 is a large amount, but I have told the House we were committed to the extent of £275,000. We have had members demanding new stations. We have had members opposite applying to the Minister for Railways and ask ing how it is he is working men night and day- how it is he has not the trucks to bring the grain, the wool, and the timber. We have these complaints time after time, and the life has been almost badgered out of the Minister for Railways; and then, after we have given effect to what they have asked, and have ordered locomotives and trucks, and put on men to work in the workshops to make trucks and locomotives, they kick up a row about pay- ing the bill. I cannot understand honour- able gentlemen doing a thing like that. Then they force the colony into a commitment, and not without just ground, because it was neces- sary ; but after we have incurred the liability that they have urged upon us to incur, and that they have voted for, they actually turn round and say, " You should not take this £675,000 for renewals and additions to open lines." Well, I say, when we have taken half a million out of the Consolidated Fund, and when the margin is small that is now chargeable to the consolidated estimates, I cannot see there is any strength in the honourable member's argu- ments. The rule laid down is this : If you are changing your line or replacing rails, and lift up a 50 lb. rail and put down a 701b. rail, you #cc-zero charge the difference between the 50lb. and the 70 lb. to capital account. If you take down a bridge and put up one to carry large locomotives and grapple with the increased trade, the same method is followed. Let us say that the bridge taken down was originally

charged against loan-moneys for $10,000. The new bridge, which will last for fifty or sixty years, will cost $50,000. In that case you charge the #40,000 against loan account, and the #10,000 remains as it was previously - paid out of capital account. That is the principle that is laid down by the other colonies, and also laid down by the railway companies throughout the world. If you take down a station that costs you £5,000, and put up a new station or additional buildings to meet in- creased requirements and increased traffic, you simply charge the difference between what was originally paid-not a reduced value, but the normal value and the present cost, and that is all that is charged against the Loan Account. That has been so often explained by my col- league the Minister for Railways that I cannot understand why gentlemen opposite will insist on saying that we are using loan-moneys for replacing and renewing works. We are doing nothing of the kind, and strict instructions are sent out on the matter. Any scrutineer you like to appoint to go through the railway lutely correct-that is, that we are not charging renewals or maintenance against capital or loan account ; that is the position. I come now to what was stated by the honourable member for Wakatipu. He impressed upon me that, when the loans of local bodies fall due, we ought to take power under the Act to lend money to them-that is, that in the case of a bridge, a road, or waterworks made thirty years ago, and for which money was borrowed and has not been repaid, we should provide the means, under the Loans to Local Bodies Act, to repay that loan of thirty years ago. That is what the honourable member wants me to do. Well, I say that in the old days there was a sinking fund set apart, and it was ex- pected that at the end of a stated time the loans would be paid off. But what the honour- able member suggests is not paying them off : it is simply renewing them ; but it is renewing them by means provided by the State instead of by means provided by the person who origin- ally found the money. It is a proposal that seems very nice on the face of it. But does the honourable member know the amount owing at the present time by local bodies? Does he know the number of loans falling in ? I tell him at once the reason the law has not been extended to meet these old loans, which the State, in his opinion, should renew : the reason is that it would be too heavy a call on the finances of the colony. The honour- able member, and other members of the same side, apparently want me to increase the public indebtedness in this way, and to borrow more money to lend to the public bodies ; and if I amended the Act for that purpose-at the present time the average amount lent to local bodies is $100,000 - I should probably have to increase 9.30. these payments by about $300,000 or £400,000. Then, Sir, I should be twitted in the very next financial debate about the ex- travagance of the Premier and the Colonial Treasurer. I would be told that the Treasurer seems altogether careless about increasing the indebtedness of the colony, that the indebted- ness of the colony ten years ago was #2 per head, and now it is $3 per head, and that if the Premier is allowed his own way it will be £4 per head. Who is it who wants the public indebtedness increased ? I say it is those gentlemen who urge upon the Government- and I do not say unreasonably so-to increase our lending-power. If I have to lend, I have to borrow. I cannot lend without doing so, and it is because this request means extending our borrowing-powers to too great a limit that we have not seen our way to amend the Act in the direction the honourable gentleman wishes. And, if I did it, probably he would be one amongst those who would accuse me of unduly increasing the public indebtedness of the colony. That is my answer. It means we would have to increase to treble the amount now required. Mr. W. FRASER .- No. Mr. SEDDON .- I say, Yes. We have had

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two that totalled more than half a million. Mr. W. FRASER .- Not of the class I men- tioned. Mr. SEDDON .- The honourable gentleman did not mention any class at all. The honour- able gentleman said that as the loans of the local bodies fell due we ought to renew them under this Act. Mr. W. FRASER .- I said loans for public works similar to those this Act provides for. Mr. SEDDON .- Well, what are they? In- cluded in this Act are waterworks, bridges, and drainage, and I say the principal works of the local bodies

are covered by this Bill. Every local body in this colony, in my opinion, as soon as a loan fell due, would go to the Govern- ment ; and for what reason? The terms we offer money at are much easier than they could get anywhere else. That is the reason why. All I can say is this : Why urge, and force, almost, upon the Government an increase of the public debt, and then, when that is done, revile us for doing it ? Mr. MASSEY. - We do not object if the money is properly spent. Mr. SEDDON. -- The honourable members do not object so long as they get the money, but as soon as they get it they turn round and blame the Government. Returns are asked for of the indebtedness when we came into office, and the indebtedness now, and a comparison is made against us on the financial debate ; but as soon as the financial debate is over, and what these gentlemen have said has had its effect on the country, then they want more money. I have known honourable gentlemen who, after adversely criticizing the Government and while apparently incensed at the Govern- ment for having increased the indebtedness, come up to my office the next day, and almost go down on their knees, asking for money for their districts. I may say, in answer to the honourable member for Palmerston, who made what, on the face of it, was a reasonable suggestion -namely, that in cases outside the existing Government Loans to Local Bodies Act we should raise money for the purpose of small loans to local bodies-I say it is a very reasonable thing in its way, and local bodies would get their money at a far less rate of interest. Now, I have been one of those men who said, despite anything that has been mentioned in respect to the increased public indebtedness, that where the money has got to be paid for the people and for the colonisation and convenience of the inhabitants in any par- ticular portion of the colony, it is just the same as a loan by the State. That has appeared to me and to my colleague, who just now dis- cussed it; in fact, my colleague the Minister for Railways brought down a Bill, and carried it, two or three years ago - I allude to the Loans to Local Bodies Consolidation Act-pro- viding machinery for obtaining the money at a lesser rate of interest. I cannot see why, if a bridge is to be erected in the colony, and we obtain the money for 3 per cent., a local body, if it has to erect that bridge, should have to and as high as 7 per cent. I must say myself that if the bridge is there for the convenience of the inhabitants, as a means of communication and an improvement to the locality, it should not be so : but there is the difference. I have often said, in respect to these loans, that if we would take the responsibility of raising the money and let them have it, it would be to the interests of the colony, and of great benefit to the inhabitants of the several localities. But one is almost paralysed, because the moment an effort is made to extend the credit of the colony in a way which means a saving to the colony as a whole there is an incessant badgering that we are increasing the indebtedness of the colony. I know several things and there is one of great importance, more particularly to the commu- nity in this district-that would have been done, and the indebtedness of the colony increased a million pounds sterling, had it not been that I did not see why this Government should be twitted with increasing the indebtedness of the colony. I say it is inconsistent for members to urge upon us to do these things, and after they are done to blame us for doing them. I agree with the honourable member for Hawke's Bay that this clause 5 is a necessary provision, and I say that we apply this rule to ourselves- namely, " It shall not be lawful to pay out of any loan the cost of maintenance or repair of any public work or undertaking for which the loan was raised." I say that is a very necessary provision here, and I am prepared to have it in any Loan Act. I am not at all inconsistent. When we use the credit of the colony for new works we should use it for that purpose only, and if we do not do that we are not keeping faith with the people who lend the money; but when for public works estimates half a million of money comes out of the Consolidated Fund I say that I can apply that for any purpose I like. The honour- able member well knows that what he urges means that there shall be three sets of esti- mates - (1) of the ordinary Consolidated Fund department ; (.) works and repairs payable out of moneys transferred from the Consolidated Fund to the Public Works Fund ; and another set of estimates simply for works paid for out of loans. What he has argued for is three sets of esti- mates, and I say it is not necessary. I say now, and I challenge the honourable

gentleman to show that under the heads of "repairs " and " maintenance ' there is anything like half a million of money ; and, unless he can show that, he cannot prove that loan-moneys are applied to such purposes. I move the second reading of the Bill. Bill read a second time. # IN COMMITTEE. Clause 2 .- Interpretation. Mr. PIRANI (Palmerston) moved, in the in- terpretation of "district," to insert the word "borough." Amendment agreed to, and clause as amended agreed to.
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lows :- "(1.) The Chairman chall publish a notice setting forth the day, not less than one nor more than three weeks from the day of the said meeting, on which the poll shall be taken. " (2.) On that day a poll shall be taken in like manner as the same would be taken for the election of a member of the local authority, and every rate- payer shall be entitled to vote accord- ingly. "(3.) The voting-paper shall be printed, and in the form numbered (1) in the First Schedule hereto, and shall contain full particulars of the notice mentioned in section eight hereof, with the words legibly printed below in two distinct line .: 'I vote for the above pro- posal,' and ' I vote against the above proposal.'" Mr. HERRIES (Bay of Plenty) moved to strike out " every " in subsection (2), with the view of inserting "only." The Committee divided on the question, "That the word be retained." AYES, 36. Allen, E. G. Fraser, W. Napier Gilfedder ()'Meara Arnold Bennet Hall Seddon Buddo Smith, G. J. Hall-Jones Hornsby Carncross Stevens Carroll Kaihau Symes Collins Lawry Tanner Duncan McGowan Ward Witheford. Mckenzie, R. Ell Field McNab L'eilers. Meredith Fisher Hogy Pirani. Flatman Mills Fowlds NOES, 13. Thomson, J. W. Atkinson Lethbridge Bollard Mackenzie, T. Hardy Monk Tollers. Russell, W. R. Herries Hutcheson Lang Thompson, R. Massey. Majority for, 23. Amendment negatived, and clause agreed to. Clause 12 .- " If the total number of valid votes recorded in favour of the proposal is at least three-fifths of the total number of valid votes recorded at the poll, then, and not other- wise, the proposal shall be deemed to be carried, and the local authority may proceed with the proposal accordingly ; but if the pro- posal is not carried, the local authority shall not so proceed." Mr. PIRANI (Palmerston) moved to add the following proviso to the clause : - " Provided that in the case of boroughs a majority of the total votes recorded shall suffice to carry the proposal." Proviso added, and clause as amended agreed to. Clause 16 .- " (1.) A special rate to provide for the payment of interest, or interest and made and levied where necessary, by special order gazetted, in the form numbered (2) in the First Schedule hereto. "(2.) Every special rate shall be an annually recurring rate, and shall be payable at intervals as specified in such special order; and shall be levied year by year, without further proceeding by the local authority, until the loan in respect of which such special rate was made is paid off. " (3.) A special rate to provide for the pay- ment of interest, or interest and sinking fund, upon a loan raised for the exclusive benefit of any part of a district, may be made and levied as aforesaid within that part only. "(4.) All special rates shall be applicable to the loan for which they were authorised to be raised, and to no other purpose.' Mr. PIRANI (Palmerston) moved to add the following new subsection :- "(5.) A local authority may, with the consent of the Auditor, decide by special order to pay the interest on special loan out of its general fund." The Committee divided on the question, "That the subsection be added." AYES, 21. Smith, G. J. Herries Atkinson Bollard Hutcheson S.mes Collins Tanner Lang El Thomson, J. W. Massey Ruodes Fowlds Tellers. Fraser, A. L. D. Russell, G. W. Lethbridge Fraser, W. Russell, W. R. Pirani. Hardy NOES, 30. Allen, E. G. Hall-Jones Mills Barclay Hogg Napier Bennet Hornsby Seddon Buddo Kaihau Stevens Carroll Lawry Thompson, R. Duncan McGowan Ward Field Mackenzie, T. Witheford. Fisher Mckenzie, R. Tellers. Flatman McNab Carncross Gilfedder Meredith O'Meara. Hall Majority against, 9. New subsection negatived. Mr. PIRANI (Palmerston) moved to add the following new subsection :- "A local authority may, with the consent of the Auditor, by special order decide to pay the interest, or interest and sinking fund, on a special loan out of the general fund, provided that the amount so paid shall not exceed twenty pounds in any one year." New subsection added. Mr. PIRAN : (Palmerston) moved to add the following new subsection :- "A local authority may, after taking a poll of

the ratepayers affected, amalgamate a num- ber of special loans, and levy one special rate to pay the interest and sinking fund on such loans." New subsection negatived, and clause as amended agreed to. Clause 48. - Interpretation.
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the following new subsection :- "(2A.) A granary." Subsection added. Mr. O'MEARA (Pahiatual moved to add to the new subsection the words "dairy factory or creamery." Amendment agreed to. Mr. R. MCKENZIE (Motueka) moved to also add the words " or sawmill." Amendment negatived, and clause as amended agreed to. Clause 49 .- "Subject to the provisions of this Part of this Act, the Treasurer is hereby authorised to lend money to any local autho- rity empowered to borrow and raise money by way of special loan under this Act for the con struction of a public work within the meaning of this Part of this Act." Mr. W. FRASER (Wakatipu) moved to add the following words : " or for the repayment of a loan contracted for the construction of a pub- lic work as above defined." Amendment negatived, and clause agreed to. Clause 59. - Rate of interest. Mr. W. FRASER (Wakatipu) moved to add the following new subsection :- "(4.) At the expiration of the period during which interest is payable the liability of the local authority shall cease without further pay- ment." Subsection added, and clause as amended agreed to. Clause 80 .- "This Part of this Act shall not apply to boroughs, except for the following purposes :- "(1.) (a.) The construction of a wharf under the control of the Council, or of a bridge on a main road, or of a punt for a ferry where no bridge is provided on such main road : " (b.) The Treasurer may from time to time decide, on the advice of the Minister of Lands, what roads shall be deemed 'main roads' within the meaning of this subsection. " (2.) The construction of water - supply works : "(3.) The construction of works for sanitary purposes under section sixty-six of "The Public Health Act, 1900' : "(4.) The erection of an abattoir : " Provided that the Treasurer shall not lend to any borough in any year any sum ex- ceeding- " (c.) Eight hundred pounds for any of the purposes mentioned in subsection one of this section ; nor " (d.) Two thousand pounds for the construc- tion of water supply works ; nor " (c.) Ten thousand pounds for the construc- tion of drainage-works ; nor "(f.) Three thousand pounds for the con- struction of other sanitary works; nor "(g.) Ten thousand pounds for the erection of an abattoir." Mr. PIRANI (Palmerston) moved to add the following new subsection ;- work not costing more than five hundred pounds." The Committee divided on the question, " That the subsection be added." AYES, 19. Bollard Hardy Stevens Carncross Herries Symes Lethbridge Ward. Collins Ell Massey Fowlds Tellers. O'Meara Rhodes Fraser, W. Lang Hall Smith, G. J. Pirani. NOES, 26. Allen, E. G. Heke Mills Barclay Hogg Napier Buddo Kaihau Palmer Carroll Russell, G. W. Lawry Colvin Seddon McGowan Mackenzie, T. Tanner. Duncan Field Mckenzie, R. Tellers. Arnold Flatman McNab Fraser, A. L. D. Hall-Jones Meredith Majority against, 7. Amendment negatived, and clause agreed to. Clause 82. - "For the purposes of section eighty hereof (but for no other purpose) a borough shall be deemed to be a district within the meaning of this Part of this Act : " Provided that nothing herein shall affect the provisions of sections two to five of 'The Go- vernment Loans to Local Bodies Act Amend- ment Act, 1898.'" Mr. SEDDON (Premier) moved to add the following words to the proviso: "so long as these sections remain unrepealed." Words added, and clause as amended agreed to. Bill reported, and read a third time. CRIMINAL CODE BILL. Mr. SEDDON (Premier) .- Sir, it is almost unnecessary for me to state to members the necessity there is for this Bill. A decision of the Supreme Court recently in the colony proved to us that, inadvertently, in our Criminal Code a provision that originally existed had been dropped out, and at the present time a person may write a pamphlet or may publish a libel or slander of a grossly criminal character, and yet there is no protection for the person so libelled under our existing law. That being the case, as I am advised, I have decided to bring in this Bill. I know it opens up an- other large question -- the law of libel generally as applied to the Press of the colony ; but I could not deal with a large question of that kind, and I think it is sufficient now to put our law as it was previously, and give that protec- tion which existed before and which was neces-

sary. I say there will be unscrupulous and malicious persons who would do this sort of thing, who would grossly libel other persons, and yet there is no protection and no means of redress, and therefore no punishment. I think, myself, that the remarks made by the Judges when the decision was given upon this dis-

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cient to induce Parliament not to prorogue until defamatory libel is placed in the Criminal Code Act. 1 therefore move the second reading of the Bill. Mr. HORNSBY (Wairarapa) .- Sir, while agreeing with the Premier that it is necessary there should be some protection for the public with regard to persons libelling and slandering others- persons who have no means and cannot be proceeded against with any show of success on the Civil side of the Court -- still I hope he will not attempt to place such a law as this on the statute-book of the colony ; for, Sir, in its provisions it is one of the most savage Bills I have ever looked at. Why, we have here a term of imprisonment for five years with hard labour -- for what ? Here it is :- "Every person is liable to five years' im- prisonment with hard labour who publishes, or threatens to publish, or offers to abstain from publishing, a defamatory libel with intent to extort money, or to induce any person to confer upon or procure from any person any appoint- ment or office of profit or trust, or business, or in consequence of being refused any such money, appointment, office, or business." Captain RUSSELL .- What are you reading ? Mr. HORNSBY .- I am reading from the Criminal Code Amendment Bill, No. 74-1. Well, Sir, I know that the law has been pretty bad in this colony with regard to criminal libel, but I do not think there was ever a punishment of that kind provided previously. Mr. SEDDON .- Yes. Mr. HORNSBY. - Well, then, Sir, I do not think it is right, even if it did exist previously, to attempt to perpetuate a law which has nothing to justify it. I quite agree with the Premier that there are cases where you must set the law in motion on the criminal side of the Court, but the experience of the past has been this : that the criminal side of the Court has too often been invoked against people in this colony-not only newspaper men, but others. I have in my remembrance a case in Christchurch, where a man was haled before the Court for criminal libel, and the Magistrate had no option but to commit the man for trial. He was sent for trial, and what were the re- marks of Mr. Justice Denniston on the case ? They were in effect this: "I have never seen a more monstrous thing than the in- voking of the criminal side of the Court in such a case as this, when the Civil side was there to be availed of by the prosecution." He as good as told the grand jury to throw out the bill ; and the bill was thrown out. Sir, under this law that we are asked here to pass there is a term of one year's im- prisonment for any one that "publishes any defamatory libel, or, if knowing the same to be false, to two years' imprisonment." Now, in most countries where the punishment exists of imprisonment for publishing defama- tory libels the offenders are treated as first-class misdemeanants ; but there is no provision of that kind in this Bill. A man may be in his own mind conscious that he is trying to do what Mr. Seddon public service for the benefit of the people ; and yet he may be haled before a Court and sent to prison for twelve months, and have to herd there with criminals. I say it is a monstrous provision to make in the law of this or any other country. Our libel law at the present time is a very bad law - it is an unjust law, it is an improper law. For example, the Press of this colony at the present moment cannot with safety publish in their columns the reports even of public meetings, because such reports are not in any way privileged, not even when the re- port of a meeting is published in good faith and for the public interest. Newspapers are not protected in any way, and actions for libel and slander can be taken against them on the slightest provocation. I do not maintain for a single instant that there are not men who sometimes in the heat of the moment, and sometimes designedly, go altogether too far in their criticism of public men and in their criti- cism of their fellows. It is a ditheult matter indeed for me to refer to this question without showing the personal feeling that I have in the matter as a journalist ; but I would like to say this : that, while I have no desire whatever to see the Press of this colony protected in any way against legitimate prosecution, I do ask and I do hope that this House

will give a fair consideration to this matter before it places on the statute-book what I deem to be a cruel-nay, as I have said before, even a savage law. There is no option of a fine here. Sometimes a man may be haled before the Court on the criminal side, and, although the prosecutor may not believe him to be possessed of any of this world's goods, he may be able to pay a fine ; and why should you not give to the Court the option of fining a man? I know that under the old law in this colony a man may be fined and imprisoned. A man may be sued for libel, judgment may be given against him for a large amount of money, and he may be imprisoned also. That is the state of the law, and I say it is a most improper and unjust thing. I hope the House will give this matter careful consideration, and that the provisions of this Bill will be considerably modified if the Bill is passed at all. I say, emphatically, we need some protection for the public in the matter of criminal libel, and I think it a pity that the criminal provision was dropped out of our Criminal Code altogether : but I would ask the House, when we go into Committee on this Bill, to modify its provisions, and to give a reasonable amount of protection to the public, but not to attempt to inflict such a law as this upon the Press and the people of the colony. Mr. FISHER (Wellington City). - I shall support the second reading of the Bill, not. withstanding the misuse of language applied to it by the honourable member for Wairarapa. This Bill is what the newspapers stand very sadly in need of. They have been asking for a Libel Bill for some years. Here is just the thing. This Bill suits me down to the ground. It is the public of the colony who require pro. tection against the libeller, and particularly
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newspapers that require protection against the blackmailer; there is no such thing as the blackmailer in this country. It is the news- paper which constantly ridicules and maligns private persons and misrepresents public men. It is from sources such as these that the people of the country require protection. For years past attempts have been made by the owners and representatives of newspapers of this colony to induce Parliament to pass what they call a Libel Bill. They already have a Libel Act which is quite sufficient to protect all reputable and respectable persons. The Act at present on the statute-book provides ample protection to every individual. What more is wanted I cannot tell. This Bill sup- plies an omission that was called attention to by the Judges of the Supreme Court sitting as a Court of Appeal. As to its being barbarous and savage, it is barbarous only in the sense of being a terror to evil-doers. Persons who understand the ordinary canons of decency will never be subject to the operation of the Act. The Act is there as a dormant power to prevent an abuse of the latitude allowed to newspapers. It will be a useful deterrent. To show the effect of newspaper misrepresenta- tion, I may call attention to a case that was called " The Great Queensland Libel Case," in which Lieut .- Colonel P. R. Ricardo, C.B., who commanded the First Queensland Con- tingent in South Africa, sued the Brisbane Observer, one of the leading newspapers of the Queensland capital, for $5,000 damages for reflection on his conduct as a soldier. The extracts from the evidence that were cabled in the course of the trial appeared to show that the weight of evidence tended against the plaintiff ; and yet at the end the jury awarded him $500 damages. According to the cabled reports of the case published throughout this colony by the newspapers every one was led to believe that Lieut .- Colonel Ricardo had proved himself a coward and a cur in the field in South Africa, but the jury, who heard all the evidence, awarded him $500 damages, and rehabilitated the character of a man who previously had been known as a brave and an honourable man. People in this country wondered at the verdict. Why? Because of the version of the case communicated to New Zealand by the newspapers. The ways of the newspaper man are various and mysterious. In order to convince the public of the necessity of passing an amended libel law we constantly read in the newspapers, "Notices to Corre- spondents," to this effect :- "R.S.'-The beginning of the seasons, like that of the days, differs according as the reckon- ing is popular or astronomical ; but, having regard to the present state of the libel law and the fate of Galileo, we are precluded from ex- pressing any opinion upon the matter." ". Resident.'-Your letter was inadmissible while the sale was pending. It would be better that

you should address yourself to the local authority ; or, if writing to the Press, confine yourself to the general principle, and do not present state of the libel law prevents us dealing trenchantly with the subject, which is of ab- sorbing interest to the public." "'A Churchman.'-Your letter is now in type, and will appear on the first favourable opportunity. Notwithstanding the present state of the libel law, we are prepared, in the public interest, to accept every risk." "'Sanitas.'-Your statements reflect on a public servant, and therefore your accusation should be made in the form of a privileged communication to his employers. The absurd law of libel does not permit newspapers to ven- tilate such matters, no matter how well founded the statements may be." " Good Order.' -Your letter ought to be published, but in the present state of the libel law we must decline to take the risk. How- ever, we will try to bring out the facts." "(F.R.K.'-Ambergris is a substance of the consistence of wax, and is believed to originate as a morbid secretion in the intestines of the sperm whale. We have a lurking suspicion in regard to the morbid secretion in your own intestines, but in the present state of the libel law we forbear to give expression to our views." An Hon. MEMBER .- What papers are those from ? Mr. FISHER .- The Wellington Times and Post. That is the way in which pressure is attempted to be brought on Parliament to amend the libel law. I have shown for many years past in this House that there is no ne- cessity for passing an amending libel law. The strongest argument of the newspapers in New Zealand in asking for the passing of a libel law is that they are anxious to bring the libel law of New Zealand in line with the libel law of England. The fact is that the present libel law of England, which was passed in 1889, has been petitioned against year after year in the British House of Commons. Bills to repeal that libel law are introduced into the House of Commons every year. They all meet with the same fate. They are all rejected in con- sequence of the great power, the great influence, of the newspaper proprietors and newspaper companies in England. I have shown on former occasions that it is not possible to repeal that English Act, because of the great pressure that is brought to bear in influential circles in every direction upon members of the House of Commons; and I say there is no necessity whatever to alter the libel law of this colony, except in so far as to pass the very neces- sary Bill which the honourable gentleman this night asks the House to pass. This Bill is necessary to prevent the newspaper libeller from injuring the characters of public men and causing pain and misery to private families. It is a mistake to suppose that it is public men only who suffer from the misrepresentation- the wilful misrepresentation -of the newspaper. It is not the public man who suffers. They only advertise the public men into prominence, and he can answer for himself on the platform or at any public meeting. But, in the case of

afforded a means of protection against those gentlemen, whom I might designate as profes- sional libellers, and by this Bill the only mode of punishing those persons is by punishing them criminally. As I have said many times in this House, I will never institute a Civil libel suit, and I ask the Parliament to pass this Bill so that when I determine to take action it shall be a criminal action, so that I may some day put some of those gentlemen where I think they ought to be. I hope the honourable gentleman will proceed with his Bill. and I hope the House will not amend it as the honourable member for Wairarapa suggests, when the Bill is in Com- mittee. It has been said that this will remain on the statute-book and perhaps never be used. A good thing too that it should not be used ; but it will have the effect of preventing those gentlemen who are prone to misuse the powers they possess to the detriment and injury- sometimes the irreparable injury - of respect- able members of the community. I will assist the Premier to pass the Bill through Com- mittee, but I hope he will insist that the Bill shall be put on the statute- book this session. Mr. PIRANI .- What a show he has got. Mr. FISHER .- It depends merely upon his decision. The member for Palmerston need not think that if the Premier desires to pass this Bill it will not be passed. We who know the Premier recognise that if he says "This Bill shall pass," that Bill will pass ; and if he says it shall not pass, the honourable member for Palmerston may take it that it will not pass, and I say that to the

Premier's credit, because I am built on the same lines myself. Mr. CARNCROSS (Taieri). - Sir, 10.30. there was really no occasion for the last speaker to have lashed himself into such a state of furious indignation when informing us he was going to support the Bill and hoped to have it put through. The respectable Press of New Zealand have no objection whatever to a criminal libel Bill being placed on the statute- book- in fact, they have asked for it. Quite recently, when a judicial decision was given which showed us we had no criminal libel law in the colony, the Press at once advocated that such a law should be passed, and therefore in the face of that fact the indignation-or, shall I say, the assumed indignation-of the honour- able member for Wellington City was entirely out of place. He will find that some of the journalists in this House will assist in placing the Bill on the statute-book. I am free to admit that the measure goes rather far. I know it requires modification in some respects. There should be some alternative, for instance, in the sentence of five years' imprisonment. It should be "not more than five years." And there are other matters that require attention. This Bill is really more severe than the criminal law of England, dating as far back as 1843 do not rise for the purpose of criticizing the Bill at any length, because I recognise that at this stage of the session long speeches will not be listened to; but I do wish to raise my voice Mr. Fisher fair and reasonable and complete law of libel. In his own Government, as far back as 1893, the late Sir Patrick Buckley brought down a complete libel law which would have met all the requirements of the country, and at the same time protected the Press and satisfied the public When the Bill is in Committee I shall endeavour to draft one or two clauses for it. I shall endeavour to draft a clause giving newspapers a fair and reasonable amount of protection for their reports of public meetings. That is a fair and reasonable clause that every member in the House who thinks the matter out should support. And there is one other clause I shall endeavour to have introduced into this Bill, and this one, at any rate, the House will not have any objection to. It was a clause introduced into the Government Libel Bill of 1893 ; it is in the English Act, and it is in the Bill I brought down :- "No criminal prosecution shall be commenced against the proprietor, publisher, editor, or any person responsible for the publication of a newspaper, for any libel pub- lished therein, without the order of a Judge of the Supreme Court in Chambers." I think there is nothing whatever unreason- able in that, and every right - minded man ought to assist me in getting it inserted in the Bill in Committee. I am really astonished to see the bigotry that is manifested by some honourable members against newspapers -- men whose reputation has been built up by the Press of New Zealand, and who, but for the Press of New Zealand, would never have been heard of. These are the very men who oppose all Liberal legislation with regard to newspapers. Mr. DUNCAN .- 1 object to nothing that is reasonable . Mr. CARNCROSS .- The Minister of Lands tells me that he objects to nothing that is rea- sonable and fair ; and, that being so, I can count on his support for the two clauses I intend to draft for this Bill. I even hope the honourable member for Wellington City (Mr. Fisher) will assist me too. I say that the respectable Press of New Zealand has no objection to criminal libel. We do not wish the present state of affairs to remain, and we believe that a man who has criminally libelled a person should be subject to pains and penalties. I shall support the Bill, and endeavour to make two or three amend- ments in Committee. 1 Mr. ATKINSON (Wellington City) .- I think this is a Bill which needs an Attorney-General to take charge of it, and it is to be regretted accordingly that there is no Attorney-General on the other side of the House who is able to do so. We are willing on this side of the House to fill the gap, and there are two or three Attorney-Generals here who will assist to make the Bill a workable measure. It is not to be supposed that the Premier should personally I have much knowledge of the technicalities of the law of libel ; but it is surely to be desired and expected that he would have shown a little more knowledge and interest in the subject

moved the second reading of the Bill. He told us it was not fitting that persons should be able to grossly libel others with impunity, and said they had no protection under the existing law. That is one side. The

other side is, whether you are going to propose very drastic penal provi- sions aimed at what may be but very slight libel indeed - hether you are going to have the criminal law invoked for what is really no criminal offence. The Premier's second re- mark was that it was desirable to restore the previous law of New Zealand, that which was existing before the Criminal Code Act of 1893. In the first place, this Bill does not restore the law ; and, in the second place, it should not. It proposes to restore a good deal of it that it is undesirable should be restored, and it does not, when dealing with the subject, introduce certain necessary amendments which the advance of our civilisation has made desirable. It is, of course, a mere absurdity, an absolute mis- nomer, to speak of the Bill as anything like & codo of the law of libel, or even a criminal code of libel. It is the veriest piece of patch- work and botch-work ; and it is not to the credit of the draftsman employed to advise the Government as to the form of their legis- lation that a Bill on a very important subject like this, creating in some cases new crimes, should be introduced with so little considera- tion and so little care, and introduced in such a way as to make the subject rather more diffi- cult to understand by the lay mind than it was before. Now, the idea of a code is that it shall be complete in itself, and that it shall be in- telligible to the layman without paying 6s. 8d., or even more, to somebody else to tell him what it means, or how much he has to read in between the lines, in the fashion with which we are familiar in the Solicitor-General's opinions. Now, take the very first line of the interpreta- tion clause : "A 'defamatory libel' is matter published without legal justification or ex- cuse "; and then it goes on to define it further. Now, is that designed to guide the Judges or to guide a layman? In either case I submit the clause is an absurdity, because the Judge does not need a detinition of libel, and for the same reason he can interpret the meaning of "legal justification and ex- cuse." The layman who is in need of a de- finition of libel is just as much in need of an interpretation of "legal justification and ex- cuse." As I shall point out later on, under the head of legal justification or excuse there are embraced six different grounds, all of which were in the law as it was in this colony before 1893. Well, they are not discoverable in the Code, and there will be no absolute guide to the layman in this Bill on account of its failure to define them. And I say for that reason the explanation is useless to the layman, and is certainly useless to the Judge, although I shall point out that in one respect it does make one important alteration in the definition of libel in the Code as it was before 1893. An Hon. MEMBER .- What will be the criminal procedure if this Bill passes ? indictment under the Criminal Code, and in the ordinary form. There was some discussion about that in the recent case in the Court of Ap- peal-Rex versus Mabin. It was that case which necessitated this Bill ; but there is a complete misunderstanding, a very general misunder. standing, as to what the effect of the decision is. Tue honourable member for Wairarapa, for instance, related that clause 4 contained a very savage provision ; but the greater part of clause 4 not only was the law before 1893, but is the law at the present moment, though it is quite clear that the draftsman of this Bill is not aware of it. I think he misunderstood the purport of the first part of clause 4, which is simply a clause aimed at blackmail, and not libel pure and simple. It is the threatened publication of a libel with the view of extorting money that is aimed at. The honourable mem- ber will find that the words "with a view to ex- torting money," or its equivalent, really govern the whole section ; so it is really the black- mailer that is aimed at, and not the libeller pure and simple. But there it is actually less savage than what was undoubtedly the law of the colony in 1893, and what I submit is also the law at the present time. The first part of clause 4 of this Bill does not go quite so far as section 3 of the Act of 1843 - Lord Campbell's Act-by which the threatened publication of any matter with a view of extorting money was made an offence, whether the matter was defamatory or not. I fail to see any hardship in that clause. Deliberate blackmailing should be got at very severely, whether it is a libel or not that the blackmailer threatens to publish. I am not surprised the honourable member for Wairarapa was indignant at the Bill. No doubt any decent journalist who wishes to keep out of gaol should scrutinise very narrowly the provisions of the Bill, and a gentleman like my junior colleague, who is anxious to see all journalists, whether decent or indecent, in gaol, of course

salutes the Bill with enthusiasm ; but he does so, like some of the opponents of the Bill, under a misapprehension. He says he would never take a Civil action for libel. Pro- bably he is well advised, because in a Civil action the truth is a sufficient answer, and decent journals-and most journals are decent -if they libel anybody, libel them by telling the truth, and such a libel is not punishable civilly, but criminally it is. An Hon. MKMBKR .- Where do you get that provision in statute law with regard to the truth of a libel-criminal libel ? Mr. ATKINSON .- There is no such provi- sion on our statute-book ; but I say that in a Civil action the truth of a libel is a complete answer. This Bill has proceeded on a totally erroneous opinion that the decision of the Court of Appeal in Mabin's case was that Lord Campbell's Act, which was in force in the colony until 1893, was repealed by implication by the Criminal Code Act of 1893. Now, that was not the decision at all: The decision of the Court of Appeal was that a particular sec- tion, or, rather, a particular offence, which is

Act, was no longer an offence in New Zealand, and that was not by virtue of Lord Campbell's Act being repealed, but by virtue of the very fact that the offence was an offence at common law irrespective of Lord Campbell's Act. So the fact was exactly opposite to what the honourable gentleman supposes. and to what was obviously supposed by the draftsman of the Bill. This is the first part. the head-note, of that case: " A defamatory libel is, since the coming into operation of 'The Criminal Code Act, 1893,' no longer indictable in New Zea- land unless it is alleged and proved that the publisher of the libel published it knowing it to be false "-that is, unless he is charged under section 4 of Lord Campbell's Act. The offence with which Mabin was charged - ordi- nary criminal libel-was held to be no longer an offence, because, though mentioned in sec- tion 5 of Lord Campbell's Act, it was not the creation of that Act, but of common law, and section 6 expressly repeais common - law in- dictments, while saving such as are statutory. Hence section 5 of Lord Campbell's Act ceases to operate, but sections 3 and 4 still remain good. Section 3 of Lord Campbell's Act is the section that forms the part of clause 4 of the Bill to which the honourable member for Wairarapa paid most attention. Subclause (1) of clause 4 of our Bill is, with some alteration- the substitution of "defamatory libel" for "any matter "-the same as section 3 of Lord Campbell's Act. That is to say, the blackmail- ing section of Lord Campbell's Act has been re-enacted with a slight modification in sub clause (1) of clause 4 of this Bill, though, accord- ing to the decision of the Court of Appeal, that section of Lord Campbell's Act is in force in New Zealand at the present time, notwithstand- ing the Criminal Code Act. It is really a monstrous thing that the responsible Law Officer of the Government should propose to deal with such an important branch of the law as the law dealing with criminal libel in entire ignorance of a most essen- tial part of the law as existing at present. Now, section 4 of Lord Campbell's Act imposes imprisonment for any term not exceeding two . years on any person who "shall maliciously publish any defamatory libel knowing the same to be false." That, again, is identical with the second part of subclause (2) of clause 4, only two provisions are there telescoped together, the draftsman's constant aim being to make things as short as possible at the expense of clearness, and even grammar. Subclause (2) reads, " To one year's imprisonment who pub- lishes any defamatory libel, or, if knowing the same to be false, to two years' imprisonment." At any rate, it will be seen that the latter part of it is simply a repetition of the substance of section 4 of Lord Campbell's Act, that being a section which the Court of Appeal has stated is in force in New Zealand at the present moment. The one part of the law which had been quite accidentally and in- cidentally repealed by the Criminal Code Act, the offence mentioned in section 5 of Lord Mr. Atkinson mentioned in the first part of subclause (2) of clause 4, which applies to every person who publishes any defamatory libel. There are alternatives of fines in each case in Lord Campbell's Act which are not provided in this Bill. I have, however, some vague recollec- tion that there is a general provision of the kind. This point should be made perfectly clear before this Bill is passed. Nine times out of ten the offence of criminal libel is more properly met by fine than by

imprisonment. An Hon. MEMBER. - Is clause 6 of Lord Campbell's Act still in force ? Mr. ATKINSON .-- The point that was decided by the Court of Appeal was, I think-although I I am not absolutely certain about it-that the plea under Lord Campbell's Act could not ap- ply under section 4, because the plea admitted under section 6 is proof that the charge is true, and truth could obviously be pleaded without such express provision to a charge under section 4. which must allege falsehood and knowledge of it. But I think the Court of Appeal did not hold that the section was repealed. The dilemma in which we are with respect to the Bill is the point raised by the question asked by the honourable member for Mataura. If Lord Campbell's Act is in force, what is the need for re-enacting sections 3 and 4 of the Act ? And, if Lord Campbell's Act is not in force at all, why should section 6, the most vital part of it, not be re-enacted ? And, in any case, seeing that this is to be part of the Criminal Code, why does it not adopt all we want of Lord Campbell's Act and expressly repeal the rest of it ? I maintain that the course I have sug- gested would have been the proper one to pursue. But to go back to the interpretation clause : As I say, in a code there should be a full defi- nition of the offence, and when you say to 3 layman that a defamatory libel shall not be pub- lished "without legal justification or excuse " those words should be defined. A very simple amendment should be inserted to define what are legal justifications and excuses which can be pleaded to an indictment for libel. Sir James Fitzjames Stephen's " Digest of Criminal Law." from which, I suppose, 90 per cent. at least of our Criminal Code has been taken, might have been referred to by the draftsman, and the draftsman had simply to copy out the sections, and then we should have had complete pro- visions with respect to this matter, and we should have had within a small compass the whole of the criminal law of libel. The matters of justification or excuse that may be pleaded to an indictment for libel are set out by Mr. Justice Stephen in his Digest. I will merely read the headings, and if honourable members will listen to those headings they will see the vast importance for the layman, and also for the lawyer, of having the law codified on this head, and therefore having these matters brought into view on the face of the statute. The six grounds of justification or ex- 11.0. cuse as given by Mr. Justice Stephen are these : First of all, that the publication is true and for the public benefit ; second, privi-

proceedings and fair comments thereon ; fifth, publication of any fair report of such proceed- ings ; sixth, fair reports of proceedings in Court. All these six defences bar one are matters for defence at common law to an indictment for libel. The one of those six which is not is the plea of truth and the public benefit, which depends upon Lord Campbell's Act. Well, if the draftsman supposed that Lord Campbell's Act was not in force in New Zealand at all, and that the plea of truth or public benefit would no longer be available in an indict- ment for libel, then he was really putting the law back not to 1893, but fifty years earlier, before Lord Campbell's Act was enacted. Now, if the draftsman had been sent merely to copy out the Queensland Libel Act-the codify- ing law of Queensland, which was adopted in 1889-he would have found the whole matter admirably adjusted, and any layman or journal- ist who would contemplate libelling another or writing severely of another, and any public man who had been so written about, would, if he took that Act home with him, have just about as much knowledge of the libel law of Queensland as if he had consulted a lawyer and got an opinion. That Act I should like to see adopted here or adapted to this colony. Sec- tion 16 of the Queensland Act disposes of what is to a layman the most puzzling question of all-namely, whether the old maxim, "The greater the truth the greater the libel," still applies. Section 16 reads as follows :- " It is lawful to publish defamatory matter if the matter is true, and if it is for the public benefit that the publication complained of should be made." That language surely is simple and clear enough, and, even with his accustomed brevity, I should think the draftsman of our Bills would be able to embody that clause in this Bill. We should then have wiped Lord Campbell's Act off the statute-book altogether, so far as this colony is concerned, and we should, with one or two modifications to which I have partly referred, have had the whole criminal law of libel within the corners of this Bill. I

think I have now established that the Act has not put the law where it was before 1893. Then, in the second place, I submit it is not desirable the law should go back to where it There are two important was before 1893. amendments in the English Acts of 1881 and 1888. One was referred to by the honour- able member for the Taieri, and, as he stated, was a clause in the Libel Bill he has intro- duced into this House in more sessions than one. It is a clause that compels any man, before he can lay an information for criminal libel, to get the sanction of a Judge. That is an eminently proper provision. There is another alteration in the English Act that it is also desirable should be adopted. At the present time, though the truth may be pleaded to the indictment, it cannot be pleaded before the committing Magistrate ; and, assuming the member for Palmerston used language which was designed to insult- . Mr. PIRANI .- That would be impossible. Mr. ATKINSON .- Well, perhaps it is quite inconceivable ; but if some other journalist who is not so tender as the honourable gentle- man had insulted some person, then, though it was absolutely true and for the public benefit, the Magistrate would be bound to commit him for trial without inquiry into the merits of the case. But in England a pro- vision in the Act of 1881 permits the Magis- trate to make inquiry into the truth and public benefit of such a charge, and therefore prevents a large number of trumpery cases, re- sulting in the committal of a person when the indictment could not be sustained in the Court above. At this stage of the session I think it is not possible to make a workable Bill of the measure, and it seems to me the proper course would be to let it wait. It was eight years before it was found out that the criminal law of libel was affected by the code of 1893, and we might well leave it alone this year, in- stead of putting this miserable, misconceived, botchy Bill on the statute-book. Mr. BARCLAY (Dunedin City) .- Sir, I think it is a great mistake in tactics for the honour- able gentleman in charge of the Bill to bring this measure before a House containing ten or eleven lawyers without first having passed it through the Statutes Revision Committee. Mr. DEPUTY-SPEAKER .- I may point out to the honourable member that a Bill must be read a second time before it can be referred to the Statutes Revision Committee. Mr. BARCLAY .- Yes, Sir, no doubt; but I understand the general practice is that when a Bill is to be referred to a Committee it is read pro forma, and without debate. Mr. DEPUTY-SPEAKER .- Not always. Mr. BARCLAY .- At all events, I think it should be referred to the Statutes Revision Committee before we get into Committee. Some honourable members seem to have doubts as to where the Bill came from, or how it was framed, and that the Government draftsman had something to do with its defects or its deficiencies. Well, as a matter of fact, it seems to me that the Government draftsman had little or nothing to do with the measure. If honourable members will look at the Criminal Code, to be found in the dropped Bills of 1883, which was introduced by Sir Patrick Buckley, they will find this measure there almost word for word. This measure seems by no means perfect. Here, for instance, is a provision-I do not know whether it has been pointed out before, but it is a provision which I certainly do not think should be allowed to be embodied in this measure. Here it says that publishing a libel may be by " showing or delivering it, or causing it to be shown or delivered, with a view to its being read or seen by the person defamed." Now, that means this : that if I am angry with a man, and I write him an angry letter which contains some angry expressions, he may pro- secute me for libel. Well, I apprehend it is not intended that a free expression of opinion

classified as a libel. Mr. HERRIES .- The Postmaster - General would be liable. Mr. BARCLAY .- I am not prepared to give an opinion on that-possibly he might be ; but assuredly the man who wrote a letter to his opponent or to any person with whom he was angry would be liable under that provision. It is quite true what the honourable member for Wellington City says-that section 4 is the same as section 3 in Lord Campbell's Act. There is & difference in the punishment, inasmuch as five years is the penalty under Lord Campbell's Act and it is only three years here. When we get into Committee on this Bill evidently v e shall have a very long talk or wrangle about it, and I think the best course for the Premier to adopt would be to

send it to the Statutes Revision Committee, where the various legal luminaries and coming Attorney-Generals of the House could consider it and ultimately bring it down in a proper shape. That is the best way to deal with the matter to prevent a long and unprofitable debate. and to clear the nebulous state in which the law is at the present time. Mr. PIRANI (Palmerston). - The member for Wellington City (Mr Atkinson), in the course of his speech, said that under the libel law the truth of the statement was a complete answer to the action. Well, Sir, unfortunately I happen to have experience of the very reverse. I remember a case where a doctor in Palmerston North imported from the Fiji Islands, in batches of two or three, seven islanders to work for him as grooms and cooks, and " a generally useful." He kept them for a short time, and then they were turned adrift on the colony. They were nearly all young men, and, although he had entered into an agreement with the Fiji Government to return these coolies to the islands if he did not continue to employ them, owing to the fact that the bond made in Fiji was not enforceable in New Zea- land no notice was taken of it, and these coolies were set loose in the colony. Commenting on this in the Manawatu Standard, I pointed out that one of the first acts of the late Jobn Ballance when he came into power was to get the Governor to refuse to license labour vessels for the " black bird " traffic ; and yet, notwith- standing that fact, the system that was so strongly objected to by the late Mr. Ballance, of importing black labour under contract, still ob- tained in New Zealand, and, although vessels were not licensed by the New Zealand Govern- ment for that traffic, people in New Zealand could go to those islands, engage black labour on certain terms, bring them to the colony, ignore those terms, and repudiate the obli- gations solemnly entered into. I might say that amongst these coolies was one coolie who had received a sentence of three years' im- prisonment for manslaughter for attempting to murder the wife of his employer in Fiji. The case was tried in Wanganui before Judge ; in which the article is to appear. The same Edwards, who held that the article accused the doctor of manslaughter, of murder in the highest degree, and other terrible offences, and : the Premier in the San Francisco Chronicle, Mr. Barclay which resulted in a verdict for £100 damages, with costs. Therefore, although every word said in that article was absolutely truthful, although the most shameful traffic was allowed to be carried on under the guise of the law, obligations repudiated, and agreements set at defiance ; although a very undesirable class of settlers were being liberated in the colony, the very fact of daring to draw attention to such a thing going on was held to be a libel even under the present libel law of the colony. With regard to the Bill before the House, I say it is a travesty on legislation. I do not think the Premier seriously intends it. I cannot think for a moment that he intends to place on the statute-book a law which makes libellous the addressing of a letter from one man to another man whom the libel concerns. Mr. SEDDON .- I am informed that is the law in England. Mr. PIRANI .- The honourable gentleman may be informed so, but he will find it is not so. The idea that a man who writes to a creditor dunning him for his debt, and making remarks about the non payment of this debt, or casts ridicule upon a man, under this law may be put in gaol for daring to do so, is the greatest nonsense ever embodied in a Bill. The only point I can conceive that has induced the Premier to bring in a Bill of this sort is that he wants to put down the caricaturing of himself in the columns of the illustrated papers. I notice the Windsor Magazine only the other day had a caricature of the Premier and my- self, which was the reverse of complimentary to the Premier ; and I understand that if anybody sold that magazine in this colony, under the law the Premier has introduced he would be able to put him in gaol for daring to commit such an offence. An Hon. MEMBER .- Could you put them in gaol, as well ? Mr. PIRANI .- No; because it is compli- mentary to me, and that could not be libellous. But what is to become of the right honourable gentleman if he suppresses these useful and ornamental illustrated papers, that keep the Premier everlastingly before the public? What would the Premier be without the Auckland Observer, the Free Lance, and the Christchurch Spectator ? Why, those three journals do more to popularise the Premier in the public eye than anything the Premier does himself. Mr. SEDDON .- What about yourself in the Standard ? Mr. PIRANI .- No, there is no parallel --

there are no illustrations in the Standard, and no one could compliment me without illustra- tion, for it is the Premier's proportions which naturally excite the admiration of every one. Now, there is an article in the Windsor in praise of the Premier, and that article is written by a lady-Mrs. Myers. But her sentiments about the Premier appear to vary according to the paper lady who writes in such high terms of the Pre- mier in the Windsor Magazine writes also about
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reflections on the Premier and Parliament I can understand the Premier feeling that some. thing should be done. After criticizing the Ministry individually in the article, the writer winds up in this way :- " Of such is the Kingdom of New Zealand's Parliament. Roll up, roll up, rich man, poor man, beggar man, thief, doctor, lawyer, Maori chief ! Rag-tag and bob-tail, scum or cream, all and any may enter the lists. So roll up, gentlemen ; here's power to you." Now, I wonder if the feeling of satisfaction which the Premier enjoyed when he read the Windsor article by a writer who can speak in those terms of the Ministry and of Parliament still exists ? An attempt was made to bring me before Parliament for writing an article dealing severely with members ; but 1 am sure that nothing I have ever said would at all approach the terms in which Parliament is described in an article like that." Now, I have another theory about this Bill. You & now it was intro- duced a little earlier in the session than during the last month, and I feel certain that the only object in the introduction of this measure was to please the honourable member for Wellington City (Mr. Fisher). Mr. SEDDON .- No. Mr. PIRANI. - Well, I feel certain of that, because he asked the Premier a question in connection with this Bill, and you will rnd the Premier's answer recorded in Hansard before the Bill was introduced at all; and, as there cannot now possibly be any desire on the part of the Premier to please the honourable member for Wellington City (Mr Fisher), I feel perfectly certain that after the Premier gets a doing for an hour or two in Committee the measure will be dropped. Speaking seriously, I cannot understand the Premier looking upon a measure of the kind with anything but ridicule. If he does intend to amend the law of libel-which I believe ought to be amended -which is neither fair to the man who publishes an honest criticism, or faithfully reports & public meet- ing, or to the man who desires to expose abuses -if he desires to do anything of that sort on the lines of the legislation which has been in force for years in other civilised countries, why not have a reasonable Bill framed and brought down at a reasonable part of the session, and have the matter settled once and for all ? To attempt legislation in this way is sufficient to prevent anything like an amendment of the libel law going on the statute-book. I have given notice of an amendment by way of a new clause, and I intend to proceed with it in Com mittee-that is, to abolish the privilege which members of Parliament now enjoy in libelling people outside Parliament. There is no more scandalous thing in the history of this Parlia- ment than its libels on men outside Parliament, which libels are uttered here under cover of privilege. If every member who made a speech personally attacking men outside Parliament who are not in a position to reply to them, and cannot reply to them through the public Press without the risk of an action for libel brought before the bar of the House for a breach of privilege, then surely it is a proper thing that the member who is so ready to libel a fellow-creature in the way some members do it over and over again in this Parliament should himself come under the same laws as the journalist who is endeavouring to do his best for the benefit of the public. And I feel sure if my clause is carried the result will be that the debates in Parliament will be very much shortened, and there will be a very great deal of matter that is now utilised in Parlia- meut as argument which will not be used at all. Otherwise, if the House does not consent to embody a provision like that in our law-to put members of Parliament on the same footing as honest men outside the House-then I think the House ought to object to allow such a measure as this to go on the statute-book, because it is so ridiculous, so foolish, and so out of place that there is not the slightest possi- bility of its being enforced in any law-court in the colony. Mr. ATKINSON (Wellington City). - May I be allowed a word of explanation ? The mem- ber for Palmerston has slightly misrepresented my statement of the law as to

the plea of truth in a Civil action for libel. I only, of course, stated it was admissible when properly pleaded and a conclusive answer, and when proved to be a fact. I understand in this case he failed to plead in time. Mr. PIRANI .- No; he pleaded truth, but they would not admit it. Mr. ATKINSON .- The honourable member must have misunderstood the ruling ; the plea Was either too late, or objection was taken to it in point of form. Mr. McNAB (Mataura). - I think the Premier would do . ell to accept the suggestion made earlier in the debate by the honourable mem- ber for Dunedin City (Mr. Barclay), and refer this Bill, after the second reading, to the Statutes Revision Committee. It has been known to the legal profession for a considerable number of years for five years, at any rate -- that there was this point with regard to criminal libel, and I remember, myself, on one occasion conducting & prosecution for criminal libel, when I was advised by a solicitor of very con- siderable experience to watch that that point did not arise in connection with that case. I remember that we watched very carefully to see if counsel for the defence raised that point. It was not raised, and I never heard it again until it was raised in the Supreme Court; and the Court of Appeal decided on the lines which have been referred to. The honourable member for Dunedin City (Mr. Barclay) has pointed out that this Bill was taken from the Criminal Code Bill which appears amongst the Bills rejected in 1883, and if honourable members will turn up the rejected Bills for that year they will see the criminal libel provisions that really ought to be added to this Bill. When 11.30. I tell honourable members that the provisions which were considered necessary for a proper system of criminal law in regard

a half of the Bill-book of 1883 they will see how much has been left out in the preparation of this Bill. The Bill before us to-night con- sists of sections 218, 219, and the final sec- tions 233 and 234 of the Bill of 1883. All the intermediate sections are omitted. For in- stance, there is the question of publishing upon invitation, of publishing a libel in Courts of justice, publishing parliamentary papers, and fair reports of proceedings of Parliament and Courts. There is the question of fair dis- cussion, fair comment, seeking remedy for grievance, answer to inquiries, giving informa- tion, selling periodical containing defamatory matter, selling books containing defamatory libel, when truth is a defence. Honour- able members will notice that in section 2, " defamatory libel " is a matter published with- out legal justification or excuse. As the Bill stands now, the whole question of legal justifica- tion or excuse in a case must be decided as in civil and not criminal libel. If it is so, then we have got a Criminal Code which does not contain in the code all the law relating to the subject -which does not contain even sufficient law relating to the subject for you to get from the code the offence and its punishment In the Criminal Code Bill which was formerly before this House there is this clause: Sub- section (1), section 23, says,- "(1.) It shall be a defence to an indictment or information for a defamatory libel that the publishing of the defamatory matter in the manner in which it was published was for the public benefit at the time when it was pub- lished, and that the matter itself was true. "(2.) Provided that such defence shall not be entertained unless it is pleaded in the manner hereinafter provided for." Then, when we go further into the question of the Criminal Code, we find that the Criminal Code of that year-1883-laid down the proce- dure, and that section 398 also makes provision in regard to indictment for libel. Then I go on further, and I find a number of other pro- visions contained in the Criminal Code. I find that section 415 contains the plea of justifica- tion in a case of libel, and there is a whole page dealing with that subject. As it is getting late I shall not go further into this question ; but, in conclusion, I would urge the honour- able member in charge of the Bill not to ask that this Bill should go into Committee with- out, having gone to the Statutes Revision Com- mittee. I believe if that is done the Statutes Revision Committee will only be too happy to meet at once, and in one or two sittings they can put this Bill into proper form. so that provisions may be embodied in the Cri- minal Code which would be a credit to the code and to the legislation of this year. I am perfectly satisfied that, if this Bill was placed on the statute - book in its present form, there will be endless litigation in con- nection with

the interpretation of its pro- visions, and that we would find that again and again there would have to be a recom- mendation from the Courts of justice to this Mr. McNab place, in order that there should be a proper system dealing with this class of offence. Mr. COLLINS (Christchurch City) .- I recog. nise this is a lawyer's Bill, and it will be much more a lawyer's Bill if passed into law. I think there is some warrant for the criticisms of the honourable gentleman who has just sat down, and I fully recognise all the defects he pointed out. The suggestion that the Bill should be sent to the Statutes Revision Committee is one the House could scarcely entertain at this time. We are nearing the end of the session, or we hope we are doing so, and I fail to see there is such a necessity for the Bill being passed into law in so violent a hurry as to necessitate it being at once sent to the Statutes Revision Committee and dealt with this session. It may well stand over till next session. Mr. SEDDON .- No ; it will not be safe. Mr. COLLINS .- The Premier says it is not safe. In many things I would defer to the honourable gentleman's judgment ; but what urgent necessity can there be for this Bill ? 1 fail to see the immediate necessity to safeguard the public in this manner. I undertake to say. as far as defamatory libel is concerned, that a hundred take place inside the House for every one outside. There can be no doubt about that. I cordially agree with the honourable member for Palmerston in his desire to see something done to curtail the privileges enjoyed by mem- bers in uttering defamatory libels without taking the consequences which such libels should entail. But it seems to me, speaking as a layman, I can only describe this as a very crude measure. It seems an attempt is made in two clauses to embody a number of clauses from Lord Campbell's Act. It has been de- scribed as a brutal measure. There is no doubt it is much more drastic than any that can be pointed out elsewhere. Mr. SEDDON .- It is the English law- Mr. COLLINS .- I beg your pardon ; it is not. There is no English law which defines a defamatory libel as " matter published, without legal justification or excuse, either designed to insult the person of whom it is published. or likely to injure his reputation by exposing him to hatred, contempt, or ridicule, whether ex- pressed in words legibly marked on any sub- stance or by any object signifying such matter otherwise than by words, and may be expressed directly either by insinuation or irony." 1 may be wrong, but I do not think so. One can easily see that scarcely a cartoonist would be safe in this colony if this Bill were passed into law. As has been pointed out by the member for Mataura, not only are the penalties much more severe than under the English Act, but the whole Bill is crude and wretchedly incom- plete. The question the honourable member for Mataura raised, that the plea of justification is excluded from this Bill, is a most serious defect, and one can easily conceive it might be necessary for a newspaper to say something which, under ordinary circumstances, would be libellous, but might be necessary to safeguard the public, and would be justified in the in-

matter can well stand over until next session, and I hope the House will not waste any more time in discussing it, but will either demand a more reasonable Bill or else leave the question to be dea t with next session. Mr. NAPIER (Auckland City) .- I agree that there is some necessity for an amendment in the law relating to libel, but I support the sug- gestion made by the member for Mataura, that this Bill should be sent to the Statutes Re- vision Committee. If that be done, I will, as Chairman, undertake to convene a special meet- ing of that Committee for to-morrow or Mon- day, so that the Bill may be submitted to the House on Tuesday in a better shape than that in which it is now presented. I am quite satis- fied that a Bill drawn on such Draconian lines will not be acceptable to the country. I do not agree with the right honourable gentleman in charge of the Bill that the provisions of the Bill constitute the English law at the present time. I am not going at this late hour into a detailed criticism of the clauses of the Bill, but I think the right honourable gentleman would be well advised if he would adopt the suggestion I have made and allow the Bill to go to the Statutes Revision Committee, where it can be put into proper form, and its rigorous pro- visions moderated. The argument of the mem- ber for Wellington City (Mr. Atkinson), I think, is a very cogent one, with reference to Lord Campbell's Act. It appears to me that the draftsman of the Bill

was labouring under some difficulty, or under some misapprehension, at the time he was drafting the Bill as to the existing state of the law, and as to the true meaning of the recent judgment of the Court of Appeal. I hope, therefore, the Bill will be sent to the Statutes Revision Committee. Mr. SEDDON (Premier). - I am rather pleased at the debate which has taken place on the Bill, and I cannot take exception to anything that has been said. I do not wish to be extreme in any of the laws we may pass, but at the same time I beg to inform the House that I am advised what is in the Bill is at the present time law, and, such being the case, I had not intended to go further than the law on the same subject in England and in Queens- land. Now, the necessity for this Bill must be apparent. For eight years there was the belief that the law existed, and that there was the necessary machinery ; but it is now dis- covered that we have no criminal libel in this colony, and no one knows what may result. Now that it is discovered, persons may libel others without fear of criminal proceedings, and it is hard to say what may follow or who may suffer. I know I have reason myself to complain, and no one is safe. There seems to be no respect for public men or for those who are near and dear to them, and if such things are to go on we shall have to go back to the good old times. That is what I feel myself in respect to it, and that is the only way you can appeal to the feelings of some of those brutes who have no hesitation in spreading slander and in libelling persons, knowing it i Revision Committee wanted the Bill to graft on a fine, these people who libel others and who. have no means laugh, because they feel sure no one will trouble about them, and so, of course, they proceed. I say, as a pre- ventative, it is necessary to have a criminal libel law, and I myself desire to place on the statute-book as perfect a measure as possible. I know the privileges of the journalists. I am not one who wants to go to extremes, but I do sometimes think they have not the considera- tion for others that others have for them. It is that want of consideration that makes me feel that something more should be done. And, in regard to our general libel laws respecting the Press, although there might be some amend- ments necessary, members refuse to make them, because from time to time the members of the Press are so inconsiderate, and sometimes so atrocious, in the manner they slander other people. As has been stated, a Bill came down in 1883-it was introduced by Mr. Tole-and it went to the Statutes Revision Committee ; but I do not know how the provisions were dropped out of the Criminal Code Bill. However, that is what was done, whether designedly or not I cannot say. An Hon. MEMBER .- There was a Libel Bill before the House at the same time. Mr. SEDDON .- Yes, I suppose that is so ; and the one Bill got through, and the other, which contained the criminal libel provisions, did not. At any rate, I cannot get a satisfac- tory explanation of it ; but it seems to have been the impression that it was the law ; and that opinion was held until the Appeal Court de- cided it was not, which makes this measure imperative. An Hon. MEMBER .- This will not do it. Mr. SEDDON .- Well, let the Statutes Re- vision Committee take the Bill in hand and go into it, and let us have it early next week. I will feel under an obligation to the Committee if they will give us a Bill-presuming this is not a perfect one- that we may put on the statute-book and feel that the country is safe. That is all I wish. Mr. FISHER .- May they add clauses ? Mr. SEDDON .- The point raised in the de- bate is that this Bill is not consistent with the English law, and I have no objection to it being brought into conformity with the Eng- lish law. I was informed that it was in con- formity with it. There is a modification of the punishment in some cases, but I have no ob- jection to that. As for the words in clause 2,- " A defamatory libel is matter published, with- out legal justification or excuse, either designed to insult the person of whom it is published," et cetera-it struck me there was something that required alteration ; but I have no doubt that language is to be found in the English law. Mr. FISHER .- When the Statutes Revision Bill comes down I will be ready for it, and we will have a merry time. Mr. SEDDON .- If I thought the Statutes

breaking faith with me and with the House. All that is desired is to have a perfect criminal libel Bill, and it is on that understanding I shall ask that the Bill be referred to them. If they go beyond that they will not be

doing their duty. An Hon. MEMBER. - Put Mr. Fisher on the ·Committee. Mr. SEDDON. - No. I know the members of the Committee, and if they confine them- selves to the perfecting of the Bill and do not extend it I shall be satisfied. An amendment Act of 1888 relates to the publication of libel by newspapers. protecting them-in certain cases such as where the libel was true and was published for public benenit. In 1879 Sir James Fitzjames Stephen and three other English Judges prepared a criminal code, included in which were the provisions of this Bill. In 1883 Sir Patrick Buckley introduced a Criminal Code Bill founded on the English Bill, and containing the same provisions re- lating to libel. This Bill was drafted by Judge Johnston and the late Solicitor-General, Mr. W. S. Reid. and was reported on by the Sta- tutes Revision Committee. An Hon. MEMBER .- Was it passed ? Mr. SEDDON .- It was not passed, but they prepared the Bill. The Criminal Code Act of 1893 contained similar provisions, but they were omitted in the passage of the Bill through Parliament. The Queensland Parliament also passed a Criminal Code Act drafted by Sir Samuel Griffiths, and I am told that he took that Act from our Bill of 1883. I will not trouble the House any further, but I hope the second reading will be passed and the Bill referred to the Statutes Revision Committee. The House divided. AYES, 42. Allen, E. G. Gilfedder Mills Arnold Graham Napier Hall O'Meara Atkinson Hall-Jones Seddon Barclay Hardy Smith, G. J. Bennet Buddo Hogg Stevens Steward Carroll Hutcheson Collins Kaihau Symes Colvin Lawry Tanner Ward Lethbridge Duncan Witheford. Ell McGowan Field McGuire Teliers. Carncross Flatman McNab Fowlds Meredith Hornsby. Fraser, W. NOES, 13. Thomson, J. W. Bollard Monk Rhodes Fisher Russell, G. W. Herries Tellers. Russell, W. R. Mckenzie, R. Massey Mackenzie, T. Thompson, R. Pirani. Majority for, 29. Bill read a second time, and referred to the Statutes Revision Committee. Mr. Seddon BILI .. IN COMMITTEE. First Schedule .- Part I. Mr. SEDDON (Premier) moved- (a.) In line 1 of table, To omit " Not over 20 .. (Capitation), 100s. .. (Capi- tation), 100s.," and insert "Over 8 and not over 20, (Male, Fixed) £52 (Capitation), 80s. ; (Female, Fixed) £52 (Capitation), 80's." (b.) Next below table, insert "In schools with average attendance 1 to 8, capitation at £5 a head." (c.) And to insert the following new sub- clauses :- "PART IV. " Separate Boys' and Girls' Departments. "If the average attendance exceeds 660 in any school in which boys and girls are taught in separate departments, in each such depart- ment an assistant at £80 may be substituted for a pupil-teacher, or a pupil-teacher may be added to the staff, at the discretion of the Board, subject to note (h) in Part I. hereof. "PART V. " Half-time Schools. " In estimating salaries two half-time schools shall count as one school, the totals of the average attendance at the two schools being added together ; and if the teacher of two such half-time schools be required by the Education Board to teach on six days during the week his salary shall be increased by one-fifth of the salary shown in Part I. hereof." Amendments agreed to, and Schedule as amended agreed to. Second Schedule. Mr. SEDDON (Premier) moved,- (d.) In Part I., line 1 of table, to omit " Not over 20 (Capitation), 100s. (Capi- tation), 100s.,' and insert 'Over 8 and not over 20 (Male, Fixed) £52 (Capitation), 80s .; (Female, Fixed) £52 (Capitation), 80s." (e.) Part I., next below table, insert, " In schools with average attendance 1 to 8, capita- tion at £5 a head." (f.) And to insert the following new sub- clauses :- "PART IV. " Separate Boys' and Girls' Departments. "If the average attendance exceeds 660 in any school in which boys and girls are taught in separate departments, in each such depart- ment an assistant at £85 may be substituted for a pupil-teacher, or a pupil-teacher may be added to the staff, at the discretion of the \--- Board, subject to note (h) in Part I. hereof. " PART V. " Half-time Schools. "In estimating salaries two half-time schools shall count as one school, the average attend- ance of the two schools being added together; and if the teacher of such two half-time schools be required by the Education Board to teach on six days during the week his salary shall be

Part I. hereof." Amendments agreed to, and Schedule as amended agreed to. Third Schedule. Mr. PIRANI (Palmerston) moved to add, " These allowances shall not be payable unless the sums named

shall have been paid to the Boards by the Government." The Committee divided. AYES, 14. Rhodes Herries Barclay Bollard Russell, G. W. Lang Collins Lethbridge Tellers. Ell Massey Hardy Fraser, W. Mackenzie, T. Pirani. NOES, 32. Allen, E. G. Fraser, A. L. D. Millar Arnold Hall O'Meara Bennet Hall-Jones Seddon Buddo Smith, G. J. Heke Hogg Carncross Stevens Hornsby Carroll Symes Duncan Kaihau Tanner Field Lawry Ward. Fisher McGowan Tellers. Flatman McNab Gilfedder Fowlds Meredith Palmer. Majority against, 18. Amendment negatived. Mr. PIRANI (Palmerston) moved to add the following new Schedule :- "In the event of no house allowance being appropriated by the General Assembly in accordance with section eight, the following amounts shall only be paid : For schools with an average attendance of over twenty, £10." The Committee divided. AYES, 14. Arnold Smith, G. J. Lethbridge Ell Massey Tanner. Fraser, A. L. D. Mackenzie, T. Tellers. Herries Rhodes Hardy Lang Russell, G. W. Pirani. NOES, 30. Allen, E. G. Fowlds Meredith Hall Mills Bennet Buddo Hall-Jones O'Meara Heke Carncross Seddon Carroll Hogg Stevens Hornsby Collins Symes Colvin Kaihau Ward. Duncan Lawry Tellers. Gilfedder Field McGowan Fisher McNab Palmer. Flatman Majority against, 16. New Schedule negatived. Bill reported, with amendments. On the question, That this Bill be 3.0. read a third time, Mr. BARCLAY (Dunedin City) said, I move, That the Bill be recommitted for the purpose of inserting a new clause. I am sorry to have to bring new matter up at this hour of the morn- VOL. CXIX .- 51. tired ; but this clause will not take two minutes to explain, and, as it is of considerable interest to Education Boards throughout the colony, and to education generally, I will submit it to the House. The clause is as follows : " Each Education Board shall have full power to effect an exchange of positions between any two teachers within the jurisdiction of such Board." The idea is this : In section 45 of the original Act it is provided that a Board of Education may remove, suspend, or dismiss teachers ; and at the end of the clause it is provided that no appointment, suspension, or dismissal shall take place until the Committee have been first con- sulted on the subject. The word "removal " does not appear there, and it does not appear to have been contemplated that in the mere case of removal or exchange anything further should be done than just a motion of the Board. What is proposed in my clause is this : In some cases there are teachers who, for some reason or other-not, perhaps, their own fault -- are not getting on particularly well. Friction of some kind arises. We will say that at two points in an education district friction arises between a teacher and some persons in the neighbourhood, or some unpleasantness occurs, and the proposition is that the Board should say to these two teachers, " You two people may, if you like, exchange "; or, " We think you had better exchange." Mr. MASSEY. -- Without consulting the Committee ? Mr. BARCLAY .- It would be hardly neces- sary to consult the Committee. At present the position is that if you want a thing like that done you have to dismiss each of the teachers. Then you have to advertise for fresh applica- tions, and you have to throw the two teachers in question loose on the world, as it were Next a number of applications come in, and the fight begins for the appointments, and there is no end of trouble. All that is proposed now is that two teachers may simply exchange positions. Mr. T. MACKENZIE (Waihemo). -- Sir, I would point out this is a most necessary clause to be carried. In the Education District of Otago we have frequently been tied up because of the difficulty in exchanging teachers owing to some trouble arising. Only recently some of our schools have been created district high schools; and, as the head-teachers of these schools-who have done long and faithful service-may not hold qualifications for the new positions, if there should be vacancies to which they might be transferred, caused by the appointment of a qualified master to the new post, an advantageous interchange might be effected. That is precisely the posi- tion now in Otago. There is, say, a teacher in a large school and a teacher in another school. These men are excellently adapted for a change ; but before that can be done an enormous amount of negotiation must take place, and, if one of the Committees does not agree, what must we do with a faithful servant who has for many year done his duty? We

one, and if carried would be in the direction of assisting education. Mr. BUDDO (Kaiapoi) .- Sir, it is true that under the original Act these changes could be made, but the direction is so ambiguous that, while it states clearly that teachers may be removed from one school to another within a district, the Education Boards find it almost impossible to exchange teachers from one district to another even where Committees and teachers are agreeable to the change. The question is left in .such a manner that it is scarcely understood by the Boards, and their reading of the Act is that no interchange of teachers can take place. What experience I have had of Boards is to this effect : There is nothing more necessary than when a teacher- whose qualifications may be first-rate and who may do good work-remains in a district till he is not appreciated, or gets out of touch with the Committee and the parents, the sooner he is removed from the district the better it will be in the interest of the children and of everybody else. At present, however, the Boards believe they have no power to make an interchange. The matter is alluded to in the Bill, and it is contemplated that there should be an inter- change where necessary ; and when this oppor- tunity is given it should be done, because there is nothing more necessary for the wellbeing of many schools in the colony than that the Boards, with consent of School Committees, should have authority to exchange teachers where it is shown to be in the best interests of the children. Mr. SEDDON (Premier) .- Well, I might say there is something wanting in respect to the teachers ; but this suggested clause will not meet it at all. In the first place, this measure deals with an entirely different question. We are not now dealing with the question of the appointment or of the removal of teachers. This is not an amendment of the Education Act, and we should not mar a Bill dealing with teachers' salaries. The appointment and the removal of teachers is altogether a distinct question. The worst feature of the whole proposal is this : it wipes out the Committees altogether, and the effect would be to produce a deadlock, because it provides that a teacher may be sent into a school, and also be removed from one school to another, without the Com- mittee being consulted. Something is wanted in connection with this conflict between the Committees and the Boards which sometimes arises in connection with the appointment of teachers. The Boards get a list of teachers and send three or four names to the Committee ; and I know of cases where the Boards have acted arbitrarily and illegally. This is too great a change without knowing what you are going to do, and it is out of place in this Bill. I do not want to interfere with the Boards ; but we should not do anything without consul- tation with the Committees. Mr. PIRANI (Palmerston) .- The Premier does not understand his own Bill if his argu- ment against this amendment is to be taken Mr. T Mackenzie form part of and be read together with 'The Education Act, 1877.'" The Premier said this was not a Bill to amend the principal Act, and only dealt with the salaries of teachers; but it deals with the staffs of schools, and with district high schools, house allowances, and residences. Then, the Premier says that some- thing is wanted to do away with the continual friction that occurs between the Committees and the Boards. What nonsense! There is no such thing as continual friction. In Auck- land, under the proposals in this Bill, the Education Board cannot pay a penny house allowance unless the funds are specially pro- vided. There is no Board in the colony so badly off for teachers' residences. In con- nection with this matter, I say that the cer- tainty of teachers' salaries working smoothly is dependent on the fact that the teachers are suitable for their positions. Now, the Hon. the Premier talks about an inferior teacher from a town school being sent into the country. Does the Premier find the best teachers in the country schools? Why, the best teachers go to where they get the best pay-like the Premier himself. If the Premier could get a billet of #5,000 he would not be here at £1,600 ; and, like every other man, he values his own services, and takes the best posi- tion possible. That is why the best teachers are in the best-salaried positions ; but, as was pointed out by the honourable member for Waihemo in connection with district high schools, it is absolutely necessary you should have in charge a graduate of the university-an A or B certificated man-if that school is to be And yet under the present Bill, a success. and under the Education Act, it may be im- possible to remove a teacher from that school to another school for which he is suitable, and you will have

to do as has been done in many districts, appoint teachers to take charge of the district high school work who are better qualified than the headmaster. On the West Coast, when they transformed a primary school into a high school, they sacked the whole staff. That is the effect of the Premier's contention, and it undoubtedly means that, if there is no power to transfer a teacher from a large to a smaller school, the Boards will dismiss him. That is what has to be done now. In many cases where a man could really do good work in a small school the Board is not allowed to trans- fer him to one. Then, the Premier talks about wanting to limit the powers of Committees. What are the powers under the present Act ? If the Education Board likes to send six names to a Committee and say one out of that six shall be chosen, the Committee have to choose that one. If some such proposal as this amend- ment was embodied in the Education Act it would work much more smoothly than at pre- sent. The teachers would be able to get positions suited to their abilities and requirements, and there would be no possibility of friction be- tween the Committees and the Boards regard- ing the appointment of teachers. I have not the least hope that any such proposal as this

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posal, and the Premier is unreasonable. But he will find there is a great deal of trouble pending in connection with the Teachers' Salaries Bill in the form the Government insists on passing it, without allowing mem- bers an opportunity of improving it. It will all come out in the washing-up. Mr. MASSEY (Franklin) .- I do not wish to discuss the whole of the Teachers' Salaries Bill, but I cannot help thinking in connection with this clause that the Premier is right, and for once I am about to support him. The Education Act provides that Committees must be consulted with regard to appointments, sus- pensions, or dismissals of teachers ; but what does this new clause propose ? It proposes that an Education Board shall have the power to transfer any teacher in its district from one school to any other school. What is that but an appointment ; and in that connection it is intended to ignore the Committee. Mr. BARCLAY .- That is not the clause I moved. The clause I moved was as follows :- "Each Education Board shall have full power to effect an exchange of positions be- tween any two teachers within the jurisdic- tion of such Board." Mr. MASSEY .- I was quoting from Order Paper No. 70, in the name of Mr. Barclay. An Hon. MEMBER .- That is the one he moved. Mr. BARCLAY .- No ; what I moved is what I read. Mr. MASSEY .- However, there is very little ' difference. The one is exchange, the other transfer. It means pretty well the same thing. I cannot see much difference. It means that in certain cases the teachers are to be appointed by the Boards without consulting the Com- mittees. An Hon. MEMBER .- Put into the schools over the heads of the Committees. Mr. MASSEY .- Quite so. If this clause went on the statute-book no self-respecting man would accept the position of member of a School Committee. An Hon. MEMBER .- Were you ever on a Board ? Mr. MASSEY .- No; but I have been a Com- mittee-man for a good many years, and probably some time in the near future I shall give the Auckland Committees an opportunity of putting me on the Board. I can only look at this matter from the point of view of a Committee-man, and I say that it infringes the rights of Committees, and as such I shall vote against it. The House divided on the question, "That the words proposed to be omitted be retained." AYES, 33. Allen, E. G. Fowlds Kaihau Fraser, A. L. D. Lawry Arnold Fraser, W. Massey Bollard Carncross Gilfedder McGowan McNab Hardy Carroll Mills Heke Collins O'Meara Hogg Colvin Hornsby Palmer Fisher Russell, G. W. Tanner Field Seddon Ward. Stevens. Smith, G. J. NOES, 10. Buddo Lang Tellers. Ell Lethbridge Barclay Hall Meredith Mackenzie, T. Herries Pirani. Majority for, 23. Amendment negatived. On the question, That the Bill be read a third time, Mr. GILFEDDER (Wallace) .- Sir, at this late hour I have only a word or two to say in con- gratulating the House on passing this important measure, which will give great satisfaction to the teachers throughout the length and breadth of the colony. The manner in which the Bill has been received shows that the members of the House and the people of the country recog. nise and appreciate the good yeoman work that is being done by our teachers, to whom should be given every encouragement to carry

on the arduous duties of their noble profession. As years roll by the wisdom of the Legislature in passing a measure to provide a colonial scale of salaries for our teachers will become more ap- parent, and the Bill will, by improving the position and condition of the teachers, tend to promote the cause of education. Mr. SEDDON (Premier) .- I want your ruling, Sir, as to whether I have lost my right to speak. The amendment upon which I spoke previously was negatived ; then, that being the case, I claim my right to speak now. I only want to say that- - Hon. MEMBERS .- Oh ! Mr. DEPUTY-SPEAKER .- I call attention to Standing Order No. 159 : "No member who has spoken to any amendment can subsequently speak to the main question, either as origin- ally proposed or as amended." That Standing Order clearly shows that the Right Hon. the Premier has lost his right to speak. Mr. MEREDITH (Ashley). - I regret the Premier does not see his way to accept my suggestion, to fix the sum of £52 for an aided school in a remote country district where the average attendance was six. If £35 is to be paid for an average of seven, and £52 for an average of eight, there is a difference of £17. Perhaps the honourable gentleman did not notice that point. I also wish to direct the attention of the Premier to this: If a pupil- teacher desires to remain in a school for another year after he has completed his fourth year that teacher is disrated. The maximum salary of a fourth-year pupil-teacher is $55, yet if he continues for another year in the same school he receives a salary of £45. Then, again, while the scale of salaries proposes to increase the salaries of teachers - and there is no doubt teachers in charge of country schools will receive a considerable increase in their salaries, and they deserve all they will receive-there will be a reduction of salaries of teachers in

allowance made for instructing pupil-teachers. According to the new scale, teachers will have to give instruction to pupil-teachers to prepare them for their examinations without receiving any remuneration whatever ; so that the new scale, under the name of being a more liberal measure than has been hitherto in operation, appears to me to amount to this : that many of our teachers will be injuriously affected by it. However, I sincerely hope the alteration in our education system will be productive of the best results. Members of this House will keep their eye on the Minister of Education, and upon the Secretary of the Education Depart- ment in Wellington, and if the scheme is not a success we must alter the scale ; our education is not going to collapse. Those who bring about a change which is not beneficial must go, while the education system will last. Mr. FISHER (Wellington City) .- For fifteen years, Sir, I have had in circulation a Public Schools Bill, which has been printed and reprinted, and circulated in every education district in the colony. That Bill has been discussed in many Parliaments. It has been discussed and approved by nearly all the edu- cational institutes in the colony, and teachers' meetings have passed resolutions in regard to the desirability of putting that Bill into law. The Bill, amongst other matters, proposed the introduction of a colonial scheme of salaries. There were many other changes, which were regarded as being of a revolutionary character. This, which was at that day considered an in- novation of a revolutionary character, I am happy to say has now become the law of the land. I have frequently said, in introducing that Bill to Parliament, that I hoped to live to see these changes become law. This is the first of those changes. I do not under- take to say how far the provisions of the Bill I prepared have been availed of, either by the Commission recently appointed or by the Government, or by any other educational body in the country; but there are a great many provisions of that Bill which will be embodied in any future education scheme which is to become the law of this country. I take this to be only the first step to- wards a great radical and, as it may be termed, a revolutionary change, and I am confident in the belief that, as the scheme has met with the entire approval of nearly all the teaching body throughout the colony, this first of the changes which was to be brought about by the passing of that Bill will be followed by other changes beneficial to the colony as a whole. congratulate the House on passing this Bill, and I congratulate the Government in taking this step, which I regard as the first of many necessary changes.

Whether it will strengthen the hands of the Government, or even the system, it remains to be seen. I believe it will ; I believe it must be beneficial. Other changes will follow, and I hope that in future the Education Boards, instead of regarding this change as an encroachment on their functions, will assist the Bill in its operation in every way Mr. Meredith in its way. An Hon. MEMBER .- What about the funds ? Mr. FISHER .- The country will provide the funds. There always was the dread that changes of this character would necessarily lead to the centralisation of the system. There is no ground-no reasonable ground-for any apprehension of the kind. I am sure that with central control, even only in the direction of the payment of teachers' salaries, and a classified colonial scale, benefit will result to the education system itself, and will give much greater satisfaction to the teachers as a body. There remain other changes foreshadowed in that Bill which I said just now are yet to come. I stand here to-night confident in the belief that, as a beginning has been made in this necessary and essential change, other neces- sary changes will follow in due time. Sir, I have lived to see one of my great educational changes passed into law. I trust I may live to see many more taken up by the Government, - by any Government-and then I shall feel that I have not laboured in vain. Sir J. G. WARD (Postmaster-General) .- The experience of the honourable member clearly shows that everything comes to those who wait. He has long waited to see a great reform effected. I recollect perfectly well the honourable mem- ber, as Minister of Education, many years ago advocating and urging the views he has just given expression to in the House, and I am sure it must be gratifying to him to find, after so many years, that some of the ideas he then expressed are now about to become law, as embodied in the Bill now passing the House. But, Sir, I rose for the purpose of stating that probably since the passing of the Old-age Pen- sions Act no more important measure has been put through the House than the present Public- school Teachers' Salaries Bill ; and, while some honourable members may take exception to details as to the scale embodied in this Bill, it is something very pleasing and something to be proud of that this is the first Parliament in the world which has adopted by Act a scale of teachers' salaries applicable to the whole country. And if in the working, under some of the proposals in the Bill, there should be found to be anomalies, it must be remembered that this is to some extent an experiment, and I venture to express the opinion that in the future working of the Public-school Teachers' Act, if there should be found to be anomalies, as there have been in connection with the early working of other important measures placed on I the statute-book, the good-sense of the repre- sentatives of the people can be trusted to do what is right, and after some experience of the working of the Act itself they will be quite pre- pared to consider such improvements as will And give satisfaction to those concerned. though in the first instance it may, as some honourable members predict, for a time cause a little friction in the adjustment of some of the salaries, I believe the school-teachers generally throughout the country will be gratified to find themselves placed in a better position than

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that the same House of Representatives which has put upon the statute-book a Bill of this character will be quite prepared, should the necessity arise, to amend the measure. Im- provements can be made and anomalies removed as time goes on. I cordially congratulate the House upon having put through this most im- portant, useful, and just measure. Bill read a third time. The House adjourned at a quarter to four o'clock a.m. (Saturday).