

LEGISLATIVE COUNCIL. Wednesday, 21st August, 1901. First Reading-Sire Horses imported by Govern- ment - Land for Settlements Act - Wellington Harbour Board Bill-Land for Settlements Bill. The Hon. the SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READING. Gaming and Lotteries Bill. SIRE HORSES IMPORTED BY GOVERN- MENT The Hon. Mr. ORMOND .- I move, That there be laid on the table of the Council a return of the thoroughbred, draught, or other sire horses imported by the Government to present date. The return to give the total cost of each horse landed in the colony, what class of stock each horse is imported to improve, where each horse is to be stationed during the ensuing stallion season, and the fee to be charged. I was induced to put this motion on the Paper in consequence of this : While I was lately on a visit to Christ- church, having heard a great deal down there about the animals which have been brought out here from England-sire horses-by the Govern- ment, I went to look at three of them which are there on view. I went with some persons who are supposed to be excellent judges of horses, and I know a little about such things myself ; but we were unable to think for what purpose these animals have been imported. They are a sort of nondescript-looking crea- tures, with no clear characteristics, and that is why I have put this motion on the Paper. Sir, I would like to know, and the people of Canterbury where these animals are would like to know, for what particular purpose they are intended-that is to say, what class of animal they are supposed to produce. The opinion of a great number of persons whom I saw was that the animals would not be of any use or service in New Zealand-that they were very in- ferior animals, and would not in any way tend to improve the breed of horses in New Zealand. I heard it said by a great number of good judges that if these animals were put up for sale at Tattersall's down there, or at any other place in the colony, they would not realise \$25 apiece ; and I do not believe they would. In other words, they are animals which, if they had continue as sires, but would have been rendered of the neuter gender, so that they could not perpetuate their species. I am giving the opinion of a large number of experts. If that is so, it is a great pity. Sir, I am told that these

animals cost some hundreds of pounds; and it is a great pity if we are doing this kind of thing, when we have in the colony any number of horses alongside which these creatures could not be put for an instant. You might have bought horses for \$50 apiece in New Zealand far better than any of the three horses I myself saw. I do not know, nor do I think any one knows, how we have become engaged in this importation of horses. But I know this, from a little incident that happened to myself : that the Government are taking very great interest in this question. Rather an amusing little thing happened a little time ago. I noticed in the papers that a sire draught horse had been imported, and it was said to be a very fine animal. It was known by the name of Danger Signal. It was a Shire horse. Well, I am a breeder of draught horses, and have a number of mares of that class, and I thought that I would find out whether this horse was at the disposal of the public, and, if he was, I should like to have sent a first-class mare to him, and I made application accordingly. It was just after the session, when my honourable friend and his colleagues were fully engaged by their official duties. I made a written application to the department to know if it would be safe to send a mare down to this horse, and I got a very polite reply that the matter was not yet settled, but the Cabinet were going to be engaged shortly in determining how this animal was to be employed and the fee to be charged. My honourable friend has the onerous duty of conducting the business of this Council, and if his colleagues are similarly engaged, they must have very arduous duties without holding Cabinet Councils on such matters as this; and I should have thought that it would have been competent for the Minister in charge of the department to have decided this little matter. However, that shows the interest the Government are taking in this question. I desire to know what is to be done with these animals-there are a number of them, I believe. I should like to know what they cost, and I should like to know for what purpose they have been imported. An Hon. MEMBER .- What kind do you call them ? The Hon. Mr. ORMOND .- They are thorough-bred horses, I suppose. They are said to have pedigrees. The Hon. Mr. W. C. WALKER. - I am astonished at the honourable member who has just

spoken. We all admit his intimate knowledge of the subject of the breeding of horses ; not only is that knowledge his forte, but probably it is his foible. But I defy any man to judge a horse when he has come fresh off a voyage. I remember myself- The Hon. Mr. ORMOND .- It is the best time.

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The Hon. Mr. W. C. WALKER .- Yes; but very often many people who think they are the best authorities are the most out in their judgment. I know many instances of that within my own experience, when those who thought they knew a great deal on the subject were entirely out in their judgment. And I think, as regards newly imported horses, that very often a wise man will say, "I will see how this horse winters," or "how it comes through the next season." Speaking from my own personal experience, I may say that I might have bought old Traducer, one of the finest horses in New Zealand, for \$75, and I might have turned him out with a lot of up-country station mares. Fortunately for the horse's reputation, and for the sake of horse-breeding in the colony, I was not good enough to risk £75 myself. I required a mate, and my mate did not come up to time ; and so the transaction as regards Traducer fell through, and Traducer went into better hands. But I know of other cases. I am astonished at the suggestion of the honourable gentleman, that there should be anything wrong in the Government importing horses of a high character. The Hon. Mr. ORMOND .- I did not say so. The Hon. Mr. W. C. WALKER .- Well, evidently the honourable gentleman has inspected three horses that he does not like. An Hon. MEMBER .- What is their political " colour " ? The Hon. Mr. W. C. WALKER .- I do not know what their colour is; but the honourable gentleman must admit that it is a very laudable object to import into this colony a new strain of good blood. Will the honourable gentleman admit that ? The Hon. Mr. ORMOND .- It depends upon how they are selected. The Hon. Mr. W. C. WALKER .- I will come to that presently. Will the honourable gentleman admit that it is a good thing to import into this country a new strain of good blood ? We know that horse-stock is a great factor in our national development. Many of our horses have gone to South Africa for war purposes, and the Government want to be able to supply the market. I should like the honourable gentleman to admit that, everything being equal, it is a very laudable object for the colony to import special strains of horse - stock from the Old Country, or from wherever we can get a good strain. As he remains silent, I assume that he admits that. The next point is, Did the Government take proper care in the selection of the animals ? Inasmuch as they employed the best man in their department to make the selection, I maintain that every care was taken. Of course, any man may make a mistake, and I do not mind venturing my opinion against that of other people on certain matters with regard to horse-flesh. But because we may not agree as to the merits of a particular animal I would not say that a good purchase had not been made. All that I would say would be that the animal did not suit me. I do not think the honourable gentleman has proved anything, and the Government sees no reason why this return should not be given. I have no doubt it will satisfy the honourable gentleman that the Government has been attending to a very useful and important part of the agricultural economy of the country. Horse-breeding is a science; but it must be carefully attended to, and it does not do to leave too much to private enterprise. Take Canterbury, for instance, where the honourable gentleman, I understand, saw these horses : they have been imported into a district which is amply supplied with horse- stock ; but, taking the whole colony, I maintain that there are many districts where farmers require encouragement in the selection of their male stock. It is a very big question, and it has been several times suggested - and I am not at all sure that it would not be a good thing-that the whole question of thoroughbred horses should not be considered from the point of view that prevails in other countries-that there should be premiums on animals that can pass a certain test; and perhaps we should even go further than that, and say that

undesirable stallions and bulls should be absolutely prevented from propagating their kind. All these questions are very large, and I do not think it is encouraging to the Government, who have made a start in a new direction for proper reasons, that they should be attacked in this way, as if they had acquired a lot of inferior stallions. Any care that could be taken in connection with this matter has been taken by the Government. We had the opportunity of employing one of the most experienced officers of the department in the purchase of these animals. He was going Home for another purpose, and so his services were made use of to purchase stud stock, and I do not think it is at all fair that his judgment should be challenged, as it apparently has been by the motion of the honourable gentleman. Motion agreed to. LAND FOR SETTLEMENTS ACT. INTERRUPTED DEBATE. The Hon. Mr. T. KELLY said, When the question was before the Council the previous day he was interrupted at four o'clock to enable the orders of the day to be proceeded with. He now desired simply to complete what he had commenced to say on that occasion, and would endeavour to be as brief as possible. The return asked for opened up a large question of the administration of those lands, and several members had spoken in that direction. On the whole, he approved of the Land for Settlements Act, inasmuch as it provided land for the landless, if it could be given to them so as to be profitably worked in farming and grazing operations; and he also approved of providing small sections of land for workmen's homes near the towns where they were employed. As to the question of tenure, it had been asserted that people preferred the freehold to the lease in perpetuity ; but, to his mind, it depended entirely on the rate of interest charged. At the present time people could acquire Crown lands under the Land Act of 1892 much more cheaply by taking it under the terms of the

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lease in perpetuity than by purchasing for cash. Under the latter there were certain disabilities which operated to the disadvantage of the applicant who was not possessed of capital. The result was that this class of applicants, when free to choose the tenure, preferred the lease in perpetuity, as the rent was lower than the freehold tenure. Those applicants, however, who were able to pay for the land preferred to secure a freehold tenure, although the interest charged was higher than under the lease in perpetuity. His experience on the Land Board was that the bulk of the people applied for land under the lease-in-perpetuity system. Applications to get the right of purchase had not been very large in the past, but they were increasing. There was a very strong feeling in favour of the freehold by those who were able to provide the cash. What he was most afraid of in connection with the land - for -settlements policy was that if the Government bought land at high rates, even if they were the market rates, in certain cases the result would be a loss to the colony. On certain classes of land it was almost impossible to pay 5 per cent , in addition to making the necessary improvements to conduct farming operations. It appeared to him that it was no consolation to a man who was a tenant of the Crown, who was crushed by a high rent, if the Crown pressed him, to be told it was for the public good. The sense of oppression would remain. If he was pressed by a private individual he was in no worse position ; but if the Crown pressed him by fixing a high rent it would soon become a question of public policy whether the rent of Crown tenants so situated should not be reduced, and necessarily lower the credit account of this fund. Then this difficulty arose : If the land had been let at, say, 10s. per acre, and the tenant could only pay 6s., who was to pay the difference ? It must come out of the Consolidated Fund in order to balance accounts. Unless care was taken in purchasing land great danger would ensue, because it was very certain that if men could not pay their rent and live-get a living-wage out of the land, so to speak -- there would be wholesale applications to Parliament for reductions of rent. That was inevitable. But if the freehold was given there would not be applications to reduce the price of the freehold. That involved the colony in no responsibilities in regard to the future ; but in lands purchased from private persons by the State there was this danger : that, unless great care was taken, the fund under which the system was operated might sustain heavy loss.

Those were the only observations he wished to make. This was only a return, and there was no occasion to go into the general policy of the subject. He, however, availed himself of the opportunity to lay before the Council his views in regard to the buying of land for settlement, and to urge that care should be taken in the purchase of such land, and that it was fit for the purpose of close settlement, and could be let at such rents as the tenant could afford to pay. The Hon. Mr. JONES said he had listened to the Hon. Mr. Ormond's jeremiad on this Hon. Mr. T. Kelly question with a certain amount of surprise. He began to wonder how many more times the honourable gentleman was to be shown that the land - for - settlements scheme had been a pronounced success. The honourable gentleman felt somewhat annoyed because the information which he asked for in his return had not been supplied by the Government. It was fortunate, however, for the honourable gentleman that he had not that information before him, because he was enabled to talk with greater freedom on the subject. He was not hampered by facts which would have been inconvenient to him in view of the tone of his speech. He said he approved of the Land for Settlements Act. He approved, that is to say, of the land-resumption policy ; and he also told us that he took part in making the measure a workable one. Then, he went on to condemn its most indispensable features, and he said that under the Act it was intended to take only agricultural land. The Hon. Mr. ORMOND .- I said mainly. The Hon. Mr. JONES said, Very well, he would accept the honourable gentleman's correction. Now, the Act did not make any such restriction. The Act gave three classes of land which it was proposed to take. According to the interpretation clause, first-class land was agricultural land, second-class land was agricultural and pastoral land, and third-class land was land suitable for pastoral purposes only. As these lands were mentioned in the Act, they might assume that it was intended to take, as opportunity offered, lands of these three classes. This was the measure which the honourable gentleman endeavoured to make workable. This was the measure which was passed, and which he said was workable. Yet he tells the Council and the country that it was never intended to take pastoral land, which the Act said was to be taken if necessary. But he would like to ask any honourable gentleman why the operations of the Act should be restricted purely to agricultural land. Why should we not take pastoral land, if necessity required that we should, as well as agricultural land ? Large estates usually contain land of several qualities, and it simply meant, if you did not take pastoral land, and took only the agricultural land, that you would take the eyes out of the properties, and that was what the honourable gentleman in 1894 denounced as unfair, and, he (Mr. Jones) thought, with very good reason too. He approved of the taking of the whole of an estate, unless the proprietor desired otherwise, so as not to leave a portion which might be useless to the owner. The Waikakahi Settlement, which was admitted to be one of the most satisfactory settlements yet made under the Act-not only by the honourable gentleman who spoke in moving the motion, but by people generally throughout the colony - consisted largely of pastoral land. The downs were all pastoral land. There were fourteen small grazing - runs on the Waikakahi Estate, and the settlers on these runs were some of the most prosperous settlers on the estate and in the colony; and yet, if the honourable

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have taken the estate at all, or he would have taken only that portion of the estate which was agricultural and omitted the pastoral. Then, there was Ardgowan, which was pronounced by many to be the most satisfactory settlement established under the Act. That was essentially pastoral in its character. If we were to be restricted to agricultural lands under the Land for Settlements Act, he could see that the cause of closer settlement-for it was not close settlement, as the honourable gentleman termed it yesterday, but closer settlement which was aimed at-would be seriously retarded. If the honourable gentleman gave them some reason why it was desirable that pastoral land should be exempted from the Act one might agree with him. But he gave no reason, and he (Mr. Jones) was sure that no reason could have occurred to any honourable gentleman who listened to his remarks. Surely it would be as beneficial to settle fifty

persons on fifty thousand acres of pastoral land as it would be to settle fifty persons on ten thousand acres of agricultural land ; and the cost would be no greater, for it was a fallacy to suppose that it cost the country more to purchase and settle pastoral land than agricultural land. Even if they doubled the number of settlers which they had in this colony, by taking a big estate and cutting it into two, they would be doing a good thing for the colony. We should be making room for settlers on the land-for the colony was not so big that it could afford to have large estates-increasing the State revenue, and making New Zealand better all round for everybody concerned. Under the existing circumstances, it was generally admitted, he thought, that grazing had become the mainstay of the colony. It certainly did not any longer pay to grow wheat. Oats had been boomed a little because of the trouble in South Africa ; but wheat had been at a terrible discount, and no farmer could possibly grow that cereal with the price of land so high, and at the market values ruling during the past few years. Then, the honourable gentleman said too much was given for Hatuma. Even if that were so, it seemed to him that it was not the fault of the Government. It had always been recognised by the Government that when they made up their mind to take land compulsorily they could not withdraw, but must pay any amount which the Arbitration Court decided should be paid for the land, and that was an honourable position to take up. But what occurred about Hatuma ? There was an outcry throughout the length and breadth of the colony, from a certain class of persons, when it was proposed to take the estate. The Government were invading the sacred realms of the pastoralist kings of Hawke's Bay, and there was a loud complaint that it was most unfair to take the land compulsorily simply at its actual value, and without making some compensation for the sentimental loss. Sentimental loss, forsooth, for the man who lived out of the colony-who was an absentee of the deepest dye, who had been with the colony, and who was not taking any of the legitimate responsibilities of a bona fide settler. So, if too much had been paid for Hatuma, the excess of cost must be attributed to those who insisted upon the principle that land should not be taken on its mere value for cultivation purposes, but that there should also be given a sentimental value. But he hoped that that estate had not been purchased at too high a price. He hoped the honourable member was just as wrong in making such a statement as he was when he spoke against the Cheviot Settlement. He had been reading some of the honourable gentleman's deliverances that day on the Cheviot Settlement, and he found that he disapproved of that, as he had disapproved of every act of resumption of land for settlement in New Zealand. Certainly, the owner from whom the Government bought the land seemed to have made money out of it.' The honourable gentleman said the climate was ' too dry-that there was no water. Well, the rain fell upon the just and the unjust, and if it fell upon the just original proprietor, who had fattened on the proceeds from this estate and the colony whilst living abroad, surely the poor settler who took up a portion of the land would get his share of the beneficent provisions which were made by Providence. The honourable gentleman had told them that on Hatuma there were farms more than a square mile in extent. If it was wrong to make farms more than a square mile in extent, how much worse must it be to have estates consisting of many square miles occupied by one individual, and on which only sheep existed? Speaking with regard to the compulsory clauses, the honourable gentleman said that there was an agitation now in Hawke's Bay for the resumption of large estates. That agitation had been long expected, and it had come at last. It was inevitable that the land of Hawke's Bay should not remain in large blocks any longer-that as colonisation advanced, and as these great pastoralists had performed their duties as pioneers, they would have to give way to the smaller settler. That, he thought, was a principle which had been generally admitted even by the friends of the pastoralists ; but the honourable gentleman said that this agitation had been given nerve and force to by the compulsory clauses of the Act. Well, that was the warmest commendation of compulsion. What the honourable member meant was this: that if there had been no compulsion there would have been no agitation, and if there had been no agitation there would have been no taking of land for settlement in Hawke's Bay. The honourable member would rather

see Hawke's Bay remain as it was than that it should be invaded by the smaller settler. But that was not the way in which the ordinary colonist regarded the situation. He (Mr. Jones) wanted to know why the compulsory powers were deemed to be unfair? They certainly had not been used unfairly by the Government, or by those who had been appointed by the Government to administer the law. In every case where land had been

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for the land. The honourable gentleman contended that there was no necessity for compulsion because only two estates had been taken - Ardgowan and Hatuma. honourable member forget what was said by Mr. Allan McLean when the Government proposed to take his land? In effect he said this: "I might just as well let the land go, as I know you will compel me to part with it by-and-by if I do not do so now." Then, the honourable gentlemen went on to terrify the Council with the bogey of the freehold. That was another which had been made from prediction time immemorial, and which had not yet He did not think honourable come true. members need trouble their minds very much about that. If the people wanted the freehold let them have it, for they would get it whether members liked it or not, and they had a perfect right to get it if they wanted it. But there was no indication on the part of the people of preference for the freehold. The indications were all the other way. When the land had been set apart by the Government on the lease-in-perpetuity tenure, and land had been offered by private individuals on easy terms and at low rates in order to dispose of it, what had been the result? The Government land had been disposed of, whilst the other had not. That was what had been pointed out by the Hon. Mr. McLean, who said that since the Government had been carrying on the work of closer settlement-since it had been buying estates and administering them-there had been no chance at all for private persons to get rid of their lands. He (Mr. Jones) maintained that that, again, was a compliment to the policy of closer settlement under the Land for Settlements Act. There could be no question that the great pastoralist belonged to a dying race, and, of course, one felt somewhat melancholy when hearing their plaint-such a plaint as was uttered by their representative, the Hon. Mr. Ormond, yesterday. But one might just as well attempt to sweep the Atlantic back with a broom as to attempt to prevent settlement going on. It had started in the South and had swept up towards the North, and would carry all before it, in spite of anything that might be attempted to arrest its progress. Nor could he see why there should be any sore feeling on the part of those gentlemen who held large areas of pastoral land in Hawke's Bay, or elsewhere in the colony. In all ages of the world men had been called upon to sacrifice their own interests in the interests of the people at large. They would have the consolation, if they had no other, that they would get full value for any land they might have to surrender, and that they would be doing some solid good to the community in which they lived. The Hon. Mr. A. LEE SMITH said that the honourable gentleman who had brought forward that motion preferred a very strong indictment against the land-for-settlements policy. There were three main counts: the Hon. Mr. Jones not been carried out as it was intended; and the third was that he objected to the leasehold system. In somewhat vigorous language the honourable gentleman had illustrated his chief objection to the Act by referring to the compulsory acquisition of the Hatuma Estate, but he (Mr. Lee Smith) was not going to speak for one moment against the honourable gentleman in regard to the suitability of this estate for close settlement. In a few remarks he proposed to deal with the question from an entirely abstract point of view. The honourable gentleman had argued very forcibly, and from his point of view very reasonably, that there was no necessity to employ compulsion. He had the history of the Hatuma case as an answer to the honourable gentleman, the truth of which he could not deny. The honourable gentleman said, first of all, that the cost of the estate was too high; secondly, he said that the land was quite unsuitable for settlement purposes; and, thirdly, he said that plenty of suitable land could be obtained without using compulsion. And then he went on to say that he was quite certain, if the tenants of that estate had to pay interest on the roading of it in addition to that on the

purchase cost, it would be far more than they could afford to pay. But there was an answer to that, which could be taken in one of two ways. They had been told, on what he believed to be good authority, that the owner of Hatuma had written to the Government offering to buy back the estate, and, in addition, to pay the Government a large sum of money—namely, £60,000—as redemption money. That might be true or false; he believed it was true. He would ask, What was the position? The honourable gentleman argued that the price paid, plus the roading charges, would make the rent too high. His argument, therefore, that the estate would have been held at a profit to him for many years by that gentleman, and that it would not have been sold except for compulsion, was unreasonable and illogical. If the owner had rebought it at £60,000 of ransom, then it stood to reason that with the interest of this £60,000 added, the owner, or the tenants he might let it to, would be sitting at a still higher rent; so that, if it was too dear now, where would the owner's profit be? The honourable gentleman argued that there was no need for compulsion, and he brought into one of his arguments the question of sentiment. He said that the owner, having had the place for a large number of years, did not want to part with it. Well, if this argument of the honourable gentleman was good in one case it was good in another. Surrounding that estate there must be a large number of young men, who were no doubt imbued with the same sentiments as the honourable gentleman said the owner possessed. Therefore, if they were going to pay for sentiment, he would ask, Why not apply the same principle in the case of the people surrounding the estate? If the argument of the honourable gentleman held good, the result would be that they would have to

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and be compelled to go to some other province—where land could be got—simply because the sentiment of the Hatuma owner was to keep all his thousands of acres in his own hands, although he was an absentee from it for years past. He believed that Hawke's Bay was a very fine province, and a very desirable residential place. Those having large estates there, while getting good incomes from their property, would still not abstract from the land the value that could be got by small settlement. Therefore, if the estate was capable of producing \$20,000 a year, and the owner said that he would be content with £10,000, it would be disastrous to the State that that should be allowed to continue. This sort of policy was not what they wanted in the colonies. He would ask them to look at the census to see what had happened in Hawke's Bay. In 1896 the population was 34,038. The Hon. Mr. JONES.—That is not sheep. The Hon. Mr. A. LEE SMITH said he was referring to the population. In 1901 it was 35,424, and, deducting the one from the other, they would find that the difference was only 1,386, which meant stagnation. Apply that ratio of increase to all the other provinces of New Zealand, and he would ask, Where would they be? The people would be driven out of the colony, and have to go to Australia or somewhere else. He thought that he had shown that compulsion was necessary in Hawke's Bay. As to the argument that the Act had not been carried out as it was intended, there were plenty of young fellows who very likely had capital to buy sheep, and who had been brought up on stations and understood sheep. They probably thought they would be able to do far better in the occupation to which they had been trained than in agriculture. Therefore there was a certain demand on the part of those people for the sort of small run which the honourable gentleman objected to. The object and principle of the Act was to give all people a fair chance, and, if they were to give the small farmer an opportunity, why should they not also give an opportunity to the shepherd who had not been a farmer? If there was reason in the one, so was there in the other. Then, coming to the question of the freehold, the honourable gentleman objected to the freehold. The Hon. Mr. ORMOND.—No. The Hon. Mr. A. LEE SMITH said he had inadvertently used the word "objected"—the honourable gentleman wanted the freehold. Well, he need not say much more than to call attention to the fact that in Great Britain the small holders of land were always getting fewer, and that the large owners were gradually absorbing the whole lot. Every now and again they had instances of large estates being cut up and sold, but in time it all came back again. Take the instance of a large

estate in Yorkshire with which he was familiar : How was that made ? By the savings of the annual income year by year for buying every farm in the district which would be an advantage to the estate, and consequence was that prices were given for sections of, say, fifty acres and over far beyond their value, for sentimental reasons. Then, take the case of Scotland, and they would find the same thing. Large owners were buying up the land. What would be the case in New Zealand, supposing they allowed the freehold ? A man with a wife and children wanted to divide his property. Naturally if the estate comprised his whole assets it would have to be sold. Men in this colony got rich just the same as they did at Home, only in a lesser degree. A man with a small property died, and some rich man with an adjoining estate would most probably buy that lot, so as to increase his holding, and continue the process as often as opportunities occurred. The result would be that in twenty years we would be back again to where the late Sir John Mckenzie started from. That was taking place in Britain - in Scotland - and had taken place in Ireland until laws were passed to induce the people to sell their land. There was no compulsory purchase in Ireland yet, but it would come, because some people would not sell. It was the same in New Zealand. In some districts bad land was offered to the Government, but in many instances where the land was good the owners would not sell. A man might desire to hold land at a higher value than the Government could afford to give for settlement purposes ; and here sentiment came in. But if sentiment was applicable, and you should indulge the rich man to that extent, you should apply it to the whole of the community, and that was the principle that compulsory purchase at valuation provided in the interest of the State. The Hon. Mr. BOLT would say a word or so in regard to this question of freehold. The Hon. Mr. Ormond pointed out that as the number of State tenants increased they would use their political influence to get the freehold. Well, next to State ownership of land he would be in favour of the freehold, and he would say that, if there was going to be freehold tenure, let there be nothing else but freehold tenure. There should then be no leases. He always found that honourable gentlemen like his friend the Hon. Mr. Ormond were not opposed to leasing ; they were only opposed to leasing by the State. The Hon. Mr. Ormond was in favour of the freehold. If they were to have the freehold, let them have the freehold only. Then where would we be? The interest of the mortgagee would be gone, and no man could hold land unless it was absolutely free. If they were to have the freehold in that sense, they would come as near to the principles of State ownership of land as they possibly could. He always found that gentlemen who contended for the freehold only contended against leasing by the State. They were quite prepared that they should lease the land themselves- and leasing was not an improper thing when private people did it-it only became improper when it was done by the State. Then, they were told by the honourable gentleman that the public debt was increasing. So it

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another name. To a great extent it was simply taking the money of the State and lodging it in the hands of the local bodies and settlers throughout the colony, and purchasing estates with it. What did that mean ? What did it matter to the capitalist whether he held his wealth in gold or in proper securities? No man would think for one moment that he was doing an improper thing if he held his wealth in proper securities, and he would not say it was increasing his debt if he built a house worth £90,000 with borrowed money. If that house was worth \$90,000 he had only transformed the form of his wealth. And that was the position to a great extent at the present time. A large amount of the increased public debt was simply a transference of the public wealth into another form. Now, the honourable gentleman pointed out that the State, in entering on this system of purchasing private lands for settlement, had interfered with the privilege of private people of putting their estates into the market themselves. How was that? If they were anxious to put up their estates for sale, what was to prevent them doing it now? There was nothing to prevent men with large estates cutting up their properties and selling them-selling the freehold if they wished to. What, however, did they find? They found that not one of those gentlemen clamoured

about putting their estates on to the market until the Government entered on the business. For years and years people were clamouring for land, but they could not get an inch of it. Large and valuable estates were lying near the centres of population, and it was impossible for any one to get a single acre of them. He need only mention the districts around Timaru and Oamaru, but Oamaru especially, as being a part of the colony to which that applied. Certainly he was not so well acquainted with the northern portion of the colony, and the speech of the honourable member in moving the motion was centred mainly in the question of the settlement of Hawke's Bay. He did not know why the speech of the honourable member should have been centred in Hawke's Bay more than any other portion of the colony. He might say, at the same time, he was not opposed to the return asked for. He thought it would be better to have the return, and he would vote for it ; but why, when asking for the return, the honourable member should deem it necessary to make an attack on the Land for Settlements Act he could not conceive. He thought that surely a return of this kind might be asked for without raising the question of the whole policy of the Government in regard to the settlement of the country. When it was obtained, the return might warrant such a discussion, but at the present time it was premature. The question of land-values had been raised, but he did not know he need refer to that. Land-values were made up, of course, not exclusively from the soil or climate or from facilities for transport, but from all these combined ; and when it was said that land-values should be uniform Hon. Mr. Bolt uniformity would be obtained by in every case taking all these things into consideration. He would vote for the return, because he thought it might be useful in the future ; but he failed to see why so much should have been said in asking for it, and he thought a great deal of what had been said had been very little to the point. The Hon. Mr. SHRIMSKI said it seemed to him the moment the Hon. Mr. Ormond rose to make a statement or a speech it at once raised a storm. He thought the honourable gentleman deserved credit for what he had done in this matter ; and the manner in which the honourable gentleman had asked for the return was very explicit, straightforward, and upright. It was a return which ought to have been published long ago, and which, in consequence of its not having been furnished, had brought to the attention of the members of the Council and the Minister in charge in that Chamber the necessity for such a return being placed before the Council. Such a document was very much needed. With regard to the honourable gentleman's reference to the freehold, that had raised a storm in a teapot. The great apostle of the abolition of the freehold -and he hoped honourable members would agree with him in this-did his best to prevent people acquiring freeholds, although he himself had acquired one, and that at the very time he was preventing other people from doing so. An Hon. MEMBER .- Who was that ? The Hon. Mr. SHRIMSKI .- The late Sir John McKenzie. An Hon. MEMBER .- No. The Hon. Mr. SHRIMSKI said, What about Bushy Park ? An Hon. MEMBER .- That is not his freehold. The Hon. Mr. SHRIMSKI .- Whose is it ? An Hon. MEMBER .- His sons'. The Hon. Mr. SHRIMSKI said, That was a very nice excuse. He was not in the habit of interrupting any other honourable member when he was speaking. What he said was a fact. An Hon. MEMBER .- It is not a fact. The Hon. Mr. SHRIMSKI said that was the true position, and it was not right for a private individual to acquire the freehold, or to agree to his sons acquiring the freehold, when he at the same time attempted to prevent others acquiring it. He did not know whether he was rightly informed or not, but what he had stated was according to the information he had received. He might state, also, that a great authority in this colony-so he was informed-had sent to England £30,000 for the purpose of acquiring an estate there. It was very strange that all these gentlemen who had such objections to the freehold should yet themselves desire to obtain a freehold. An Hon. MEMBER .- Who was that ? The Hon. Mr. SHRIMSKI said he was not going to give the name. An Hon. MEMBER .- You cannot. The Hon. Mr. SHRIMSKI said he was in-

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was correct or not he could not say, but that was according to the information given to him. An Hon.

MEMBER .- It is wrong. The Hon. Mr. SHRIMSKI said the honour- able gentleman seemed to be in the secrets of everybody, and he was not going to satisfy the honourable gentleman by giving the name. Time would prove whether he was right or wrong. but it was not for the honourable mem- ber to declare that he (Mr. Shrimski) was wrong. Then, the Hon. Mr. Bolt referred to Oamaru. He thought that settlement should take place there, and that the large estates should be cut up. There was no doubt that closer settlement should take place there. He (Mr. Shrimski) admitted that ; but since that settlement had taken place the population of the district had decreased, so where did the improvement come in? If the Government had done the proper thing they would have purchased land- which he had always recommended-and have cut it up and roaded it, and disposed of it on reason- able terms. That would have brought about true settlement of the land. But the cen- sus returns proved that the population of Oamaru was decreasing. It was all very well to say that they must not have the freehold, and that everything that pointed to that was bad. At the same time, as he had said before, they noticed that as soon as those who advo- cated the leasehold were in a position to acquire the freehold they did so. He was surprised at the manner in which the Hon. Mr. Ormond's motion had been received. He thought the Council ought to be thankful to the honourable gentleman for bringing this matter forward, because in doing so he would help to give honourable members information which they should be in possession of. The Hon. Mr. ORMOND wished to say only a few words in reply. He agreed that the remarks of the Minister were exceedingly temperate, and he trusted his remarks in reply would also be fair. He thought, however, that honourable gentleman entirely failed - as had also the Hon. Mr. Jones and the Hon. Mr. Lee Smith -to realise what his (Mr. Ormond's) conten- tions were. His objects in bringing forward this motion were: first, to get information which undoubtedly Parliament was entitled to, and which, therefore, he thought the Hon. the Minister was not wise in recommending the Council not to accede to, because it was infor- mation which all who had studied the subject must consider members were entitled to. But a practice was growing up in Parliament of refusing information, and that was not a de- sirable practice to follow. He was very glad to hear honourable members say that they would support him (Mr. Ormond) in getting this infor- mation. He never said that the land-for-settle- ment system should be confined to one class of land, as the Hon. Mr. Jones appeared to assume. He (Mr. Ormond) said that in the passing of the Land for Settlements Act, the main idea, and the great object of the originators of that Act, and the Minister himself who introduced settled, and that there would be in conjunction with that class of settlement some 'portions of pastoral land in the estates purchased. Of course, he knew that, as every practical man did. His honourable friend failed to answer his con- tention that the administration of the Land for Settlements Act right up to now had been, as far as he could estimate, three parts in the direc- of settling people upon small sheep-runs, and not in the direction of close settlement. And he (Mr. Ormond) contended that the administration had been unsatisfactory-that not only had agricultural settlement not gone on, but that that very important question, namely, the providing of land for the homes of artisans working in the towns, had been improperly disregarded. Next to nothing had been done in it at all. Those were his indictments, and they were perfectly plain and clear, and when read by honourable mem- bers and the people of the country they would be readily understood ; and they had not been answered. They would gradually have an insistence on the part of the people of the colony that this Land for Settlements Act should be administered in the way the people and Parliament intended. This would be one of the outcomes of the consideration that was now being given to the subject. The other main point that he wished to make clear was that when he instanced the Hatuma Estate he did so because he did not have the same know- ledge of the other properties in other parts of the colony that he had of that. What he wanted to show clearly was that, disagreeing as he did with the compulsory taking of pro- perties, the Government had acted unwisely in taking Hatuma. In other words, he maintained that they had bought at a price that was above what would permit of the profitable settlement of such an estate, and that Hatuma

was not an estate suitable for close settlement. He showed that more than half of that estate had been let in fifteen blocks, averaging 868 acres each, and that each of those blocks had cost the colony £4,600, to which had to be added the cost of survey, roading, and other expenses. He said that in making that illustration he was clearly showing that any policy which was worked like that made it impossible to produce the results intended by the Land for Settlements Act. The intention of that Act was that the masses of the people should be benefited, not the few. His argument was that in that particular instance the land could not be administered to advantage, and he had met with no contradiction which would be accepted as at all upsetting his premises. If he had had time, he would have liked to have gone into the question of the valuations. His argument was that the Government had recently, through their officers, very largely increased the valuations of property in Hawke's Bay, and that the outcome had been that they had had to pay for Hatuma, and that they would have to pay large prices for the other estates they had given notice of purchasing, and which, if taken, would mean an additional expenditure of \$300,000 to £400,000.

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want to pay less than the value of properties. The Hon. Mr. ORMOND said that he was just coming to that. The Minister had started an entirely new doctrine. It had been held by other Ministers who had administered the Act that the State was not to lose—that they were to buy properties at prices at which they could be cut up and disposed of without loss to the State. The honourable gentleman now said that that was not the condition at all, but he . (Mr. Ormond) maintained that that was quite contrary to anything they had ever heard before. The Hon. Mr. W. C. WALKER .- What did the honourable gentleman say ? The Hon. Mr. ORMOND .- That more money will be paid by the State than it should pay. The Hon. Mr. W. C. WALKER had said nothing of the kind. He would ask the honourable gentleman to look up the report of his remarks in Hansard. The proof was a very good one, and he did not correct it at all, except to insert one or two words and commas. He did not find in it anything to the effect imputed by the Hon. Mr. Ormond. The Hon. Mr. ORMOND thought the honourable gentleman was mistaken. The Hon. Mr. W. C. WALKER said that he had never said anything of the kind. The Hon. Mr. ORMOND said that the increased valuations of those properties would prevent the Government carrying out the system of settlement as it ought. The Hon. Mr. W. C. WALKER said that what he had stated was that any Government would be most dishonest that endeavoured by means of low valuations to secure estates below their real value. The present Government had desired to have values raised to an even scale all over the colony. That had been found very necessary in Hawke's Bay. But, because they wanted to acquire estates there, they had never been afraid to face the fact that if they raised the values they would have to prepare to pay a fair value for any property acquired. The Hon. Mr. ORMOND said, What he stated, in dealing with the question of valuations, was for the purpose of showing that the procedure of the Government would be against the successful carrying - out of the land-for-settlements policy. He regretted the time did not permit- The Hon. Mr. W. C. WALKER said, If the honourable gentleman wanted to continue his remarks he had no doubt the Council would agree to his doing so. The Hon. Mr. ORMOND said, If time had permitted he would have gone into the question to prove the impossibility of those tenants in many cases paying the rentals under which they had rented their sections ; and that the Government was running the risk of spoiling the proper carrying-out of the land-for-settlements policy. But, as he did not want to miss the opportunity of having the motion put, he would take another opportunity of dealing with the question. Motion agreed to. On the question. That this Bill be read the third time, The Hon. Mr. BOLT said,-I cannot allow an opportunity such as this to pass without referring to the proposed action of the Wellington Harbour Board in relation to another work -I mean the work they are now carrying out at Oriental Bay. I understand it is proposed, after that work is completed, that they will allow boatsheds to be erected along the retaining-wall. I cannot allow that to pass without expressing my

disapproval of such an act as that. Oriental Bay is probably one of the finest suburbs about Wellington, and I believe the work the Board is carrying out there will further beautify the place; and it seems to me extraordinary conduct that, after having completed a work such as this, they should practically destroy the whole beauty of the place by allowing boatsheds to be erected. Sometimes public bodies act very peculiarly in this respect. They seem to have no sense of the duty, decorum, or natural fitness of things in regard to questions of this kind. I will give an illustration. Any honourable member can go up the Terrace here, and they will see that the Corporation have put up large squares of zinc or iron bearing the letters "F.P.," and underneath them certain figures showing the distance in feet. These are indicators to show where the water-plugs in the street are to be found. There is nothing, to my mind, more unsightly than these plates, and the large block letters and figures on them are about as ugly as one can imagine. Some of them are even put on men's gates. The whole thing could have been done by simply having a small zinc disc bearing the figures on it, the letters not being required at all. If our Corporation in Dunedin had done such a thing as that they would have been laughed out of countenance. I say, moreover, it is a shame that the streets of Wellington should be half-paved. You go up the Terrace and you find one portion of the footpath paved and the other portion covered with blue shingle, which is continually rolling off the path and into the drains. It appears to me that if the Corporation paved the streets and rated the owners for the cost of doing so they would be doing a proper thing, and would be beautifying the city immensely. I take this opportunity of protesting against the Harbour Board allowing boatsheds to be erected on the foreshore I have referred to. The Hon. Mr. T. KELLY .- I quite agree that the local bodies in some places are destitute of all ideas of natural beauty, and have no regard for "sweetness and light." But it is not only the local bodies who are the offenders in that respect. I will instance the Public Works Department and the Railway Department as two shocking examples. I know of cases of this sort in Taranaki where natural beauty has been wantonly destroyed and the convenience of the public ignored. I have known the people to have remonstrated, and the Ministerial head simply says, "I am advised so-and-so," and there is no remedy.

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The Hon. Mr. W. C. WALKER .- I do not think it is right to charge the Government or the local bodies with want of appreciation of the beautiful, or with vandalism, or whatever else you like to call it. I will not admit for a moment that other parts of the colony are anything like Wellington; and I may say that the best part of the work done in this city has been done by the Government. Take Auckland, Napier, Christchurch, Dunedin, Invercargill- take many of our country towns from one end of the colony to the other -- most of the works there have been in the hands of the local bodies, others effected by specially directed associations. I can point to a lovely domain created out of land with very few natural advantages at Ashburton. The fact is that Wellington is, perhaps, an exception. But we have always given the Wellington Harbour Board credit for a certain amount of intelligence, and I hope they are not now going to cause us to change that good opinion. If it is going to take up the ways of the City Corporation I would recommend my honourable friend, before the Bill passes, to move that it be read this day six months, because I do not think we want to have another instance of Bumbledom in this city. I trust the warning which has been given will be sufficient; but still I must say that I believe the most efficient warning would be to insert a clause which will prevent them doing that which we object to. The Harbour Board have done very well in the past, and I trust they will continue to do so. I do not see any reason why they should not maintain the position they have held in the past. But I could not sit silent, and hear local bodies and the Government abused for want of taste, when I know that the local bodies everywhere else except in Wellington, and the General Government everywhere, should certainly not have such a charge made against them. The Hon. Mr. JONES .- One would have thought that these were the dying hours of the session. The speeches made by honourable members have been like stonewall speeches, or like the

verbal wanderings which you, Sir, tolerate when we are about to leave for home. The honourable gentleman who last spoke first of all started with the Wellington Harbour Board, and then travelled from Dan to Beer-sheba, or from China to Peru. Of course, I am bound to sympathize with those who denounce the streets of Wellington, and that is about all the reference I am going to make to the streets of Wellington just now. It is quite sufficient to say that they are bad, and about as bad as they could be. But we have always understood that the Wellington Harbour Board was an example to the whole colony—that it always performed its work well ; and not only have I heard that, but I have seen evidences of it with my own eyes. I hope the Wellington Harbour Board will do no such thing as it has been suggested they intend to do—erect boatsheds on the foreshore at Oriental Bay. Of course, as the honourable gentleman representing the Government said, it might be necessary to prevent that being done by putting a clause in the Bill. But I hope moral suasion will be sufficient in this case. The Hon. Mr. JENKINSON .- I think the protest that has been made by members of the Council and by the citizens of Wellington interested in this matter will be sufficient to convince the Harbour Board that they are doing what is inimical to the best interests of the port and the city ; and I feel confident they will take the hint, and will proceed no further with the erection of these boatsheds. If I thought they would not take the hint I would be very glad to move that the Bill be read the third time this day six months. If the intention to erect those sheds is persisted in, we shall probably have another Bill before this Council, in which an amendment might be inserted to the effect, as hinted by the Hon. the Minister, that the power of the Board in this respect will be taken away. As the matter now stood the Government could withhold permission to the Harbour Board to allow boatsheds to be built, and I think we can rely upon them seeing that the sheds are not put there. The Hon. Mr. JOHNSTON .- I only wish to say that I think that the Harbour Board can be trusted. The Hon. Mr. JENKINSON .- Do you promise that they will not allow those sheds to be built ? The Hon. Mr. JOHNSTON .- I will not promise that they will or will not do anything of the kind, but I think they can be trusted not to put up anything objectionable. If, however, they propose to put up boatsheds, reference to the Governor in Council is necessary, and I think after what has been said the Government can be left to look after the beauties of the city. Bill read the third time. LAND FOR SETTLEMENTS BILL. On the question of the consideration of a message from the House of Representatives, disagreeing to certain amendments made in this Bill, The Hon. Mr. W. C. WALKER moved, That the Council do not insist on the amendments made by the Council in this Bill. They were purely the result of a misunderstanding between the Law Draftsman and himself as to the intention of certain alterations that were put in the Bill in the other House. The clauses had to be redrafted, and there was a misunderstanding in consequence. On the merits of the case, he did not think that the Council could object in any shape or form to striking out those amendments. In the first place, in clause 6, subclause (3), the House passed it— " If the Governor does not proceed with the purchase and the land is not acquired by him within twelve months after the date of the notice mentioned in the last preceding subsection, then the restriction on the disposition of the land under that subsection shall cease to have effect." Everybody knew what that meant. It meant, if the purchase was not proceeded with, that twelve months after the commencement of the

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proceedings the restrictions should cease to have effect. The clause as passed by the Council read :- "If the Governor determines not to proceed with the purchase, he shall forthwith give notice thereof to the claimant, and thereupon the restriction on the disposition of the land under subsection one hereof shall cease to have effect." Finality was an essence of the contract. He hoped that the Council would not insist upon the amendment. An Hon. MEMBER .- Why not make it six months ? The Hon. Mr. W. C. WALKER said he thought twelve months was a fair term. As for the other amendment, he hoped the Council would not insist upon that either. It was the addition to a subclause to clause 8, as follows : " (3.) An applicant

may apply in respect of more than one group or subdivision." The Council would remember that the intention of its amendments to the Bill was to make the procedure simpler, and to make applicants more certain of getting sections. Their endeavour had been to eliminate the element of chance as much as possible from the machinery of the whole thing. The subclause was put in by accident. The object of the Land for Settlements Act was to get settlers on the land who were able to work the blocks in a proper way. It was no use putting men on the land, simply because their names came out of the ballot-boxes, if they were not able to work it. The Land Boards had the power to find out whether they had got enough cash to start. It would be absurd to say that a man should, out of speculation, be allowed to put in for a group which he would be unable to work. Things should be kept equal, and the sections properly settled by the right class of men. In fact, he thought it was giving a better opportunity to the right class of persons. He moved that the Council do not insist on the amendments. The Hon. Mr. T. KELLY said he thought they intended to improve the wording of the Bill, and to make clear the intention of the Act, and he therefore did not see any reason for insisting on the Council's amendments, which were objected to by the House of Representatives. The Hon. Mr. McLEAN said he thought the amendments should be considered separately. He did not see much objection to the honourable gentleman's proposal with regard to the last one ; but he would like to point out, with regard to the first amendment, that they might, he thought, get something between the subclause of the House and that of the Council suitable to both parties. He would ask, What object could the Government have in retaining for fourteen months-which was really the effect of the proposal - land which they never intended to take. The business should go through in two months ; and why should they give notice to take land if they did not mean to take it ? He would instance a case at Oamaru, in which the Government offered a certain price for land. Their price was refused, and the land was immediately put on the market and sold for Hon. Mr. W. C. Walker something like an average of £4 or £4 10s. an acre more than the Government offered. The whole estate was sold in farms before twelve months had elapsed. Could the Government have ever held an embargo like that proposed over the property for all that time, when the people wanted to sell it themselves in farms, and so save the Government the trouble ? Then, in the case of trustees, how would they administer an estate if this embargo was kept on it? Both Houses wanted to get at the same thing, and he thought the best way to do was to disagree with the first and agree with the second. and then the Bill could be amended. It was only a matter of the mode of doing it. They did not want to stop close settlement, but to get hold of the land as speedily as possible. The Hon. Mr. ORMOND quite agreed with the Minister that it was more advantageous to the owner of the land to have the amendment. than to have the clause as it was originally, and that fixity of terms was necessary. He thought the Hon. Mr. McLean must agree to that. It did seem unreasonable, however, that this should be held over for twelve months. He thought it might be altered to six months. That would be a reasonable compromise in the matter. What they should do was to disagree with the amendments and have a Conference. The Hon. Mr. PINKERTON said they should insist on the first amendment and agree with the second. The Hon. Mr. W. C. WALKER asked if there was any amendment before the Council. The Hon. the SPEAKER said that none had been handed up to him. The Hon. Mr. W. C. WALKER said he did not think there need be any trouble on this occasion. After all, what did this proposal of a twelve months embargo mean, in clause 6 ? It was only preventing persons making a disposition of their property among their family. The Hon. Mr. McLEAN said there was another clause altogether. The Hon. Mr. W. C. WALKER said he thought he was quite right. If honourable members would look at clause 6 they would see that it was as follows :- "In order to prevent any evasion or avoidance of the provisions of the principal Act as to the right of the owner to select and retain any limited part of any estate intended to be acquired under that Act, it is hereby declared that the area of the whole estate shall be computed as at the commencement of the negotiations for the purchase under the said Act, and no subsequent disposition of the estate, or any part thereof,

shall operate to defeat the power of the Governor to acquire the land under that Act." They all knew that in certain cases individuals had avoided, or were supposed to have avoided. the intentions of the principal Act by sut- dividing or disposing of their property in such a way as to prevent the operation of the Act. The only question, then, was as to the length of time which the property to be acquired was to be under a condition of embargo. The Hon. Mr. McLEAN said it had got nothing to do with that.

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The Hon. Mr. W. C. WALKER said he thought it had. Once the Government said they would take up certain land, then the owners could not deal with it by subdivision or anything else until the Government released its grasp. . The Hon. Mr. McLEAN said they wanted the time for that to be fixed at six months. The Hon. Mr. W. C. WALKER said he was prepared to argue that twelve months was very reasonable. As originally proposed the time was two years, and in the other House it was brought down to twelve months ; and he did not think the Council should insist on its amendments simply because they thought twelve months was too much. He therefore trusted that the Council would carry his motion, and not insist on its amendments. The Council divided. AYES, 17. Arkwright Jennings Scotland Bolt Swanson Jones Kelly, T. .Feldwick Tomoana Pinkerton Gourley Twomey Harris Walker, W. C. Reeves Jenkinson Rigg NOES, 7. McLean Baillie Ormond Shrimski. Barnicoat Montgomery Johnston Majority for, 10. Motion agreed to. The Council adjourned at ten minutes to five o'clock p.m. # HOUSE OF REPRESENTATIVES. Wednesday, 21st August, 1901. First Readings-John Old-Workers' Compensation for Accidents Act-Conciliation Boards-Winter Railway Excursion Fares-Freight on Coconut Oil-cake - Accommodation for Passengers on Southern Trains-Hillside Workshops-Railway Concessions to Telegraph Linemen - Kaikora North Railway-station-Hastings Railway - sta- tion - Rolling-stock for Waikato line-Mercer Railway-station-Telegraph Messengers - Maori names of Railway - stations-Oeo Point Light-house-Lunatic Asylum Attendants' Pay-Rail- way Works - Gisborne Anchorage - Unofficial Passengers on Government Steamers-Makobine Viaduct-Lunatic Asylum Employees-Kaikoura Fish Industry-Auckland Public Offices-Railway to Hanmer Plains-Subsidy to Public Libraries- Native Land Administration Act-Manaia Magis- trate's Court-The Police Report of 1901-Terrace Gaol, Wellington-Crown Lands for Settlement- Cable Messages re Frozen Meat - Land for Settle- ments Bill-Rabbit Nuisance Bill-Local Bodies' Goldfields Public Works and Loan Bill - Eight Hours Bill-Shops and Shop-assistants Bill. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. # FIRST READINGS. Greytown Reserves Vesting, Disposal, and Enabling Bill ; Levels and Waimate Counties Boundaries Bill. JOHN OLD. Mr. R. THOMPSON (Marsden) brought up the report of the Waste Lands Committee on the petition of John Old, to the effect that no new circumstances having arisen, the Committee recommended their former finding to the con- sideration of the Government. Mr. SYMES (Egmont) said this petitioner had been before the House three times. It was a case of particular hardship. This was a good and deserving settler, who went into the back blocks and took up land where no one thought of going before. The block had been in the possession of the Government since 1856, and this settler had gone there to hew out a home for himself and family, and, through the in- competence of the officials in Auckland, he had been deprived, not only of his land, but of a large sum of money expended in improvements. He and his family went on to this land, felled the bush, and carried grass-seed for twenty- three miles on their backs through bush, and up and down almost inaccessible hills. After all that-after he had been in possession and had the assurance of the officials in Auckland that he could have the land-without rhyme or reason he was deprived of it, and, not only that, but of his labour and the money he had put into it. The Committee, as members could see, saw the injustice that had been done, and recommended that the petitioner should be dealt with in a fair and equit- able manner ; and that, if he and the Go- vernment could not agree in the ordinary way, the case should be referred to arbitration. He thought he was correct in stating that the present Minister of Lands was one of the Waste Lands Committee who had reported on this case, so that

he knew the whole of the facts. Some sort of bogey had been set up that he asked too large a sum. He had been asked to send in a claim ; but it would be hard to say the sum to which he was entitled, for there were few who would have liked to undergo the hardships he had gone through with his family. For a considerable time they had been unable to get horses up there, and everything had to be carried on their backs. He understood some time ago that the Government would favour- ably consider the matter with a view of settling it, but it had been put off from time to time, as all these deserving cases were, until the people got weary of bringing their cases before the House. It would be better for the Govern- ment to let people know at once that it was useless for any one to petition the House-that favourable recommendation from Committees would not receive consideration. He trusted something would be done in the way of having justice done to a most deserving settler, who had gone through a great deal of hardship, and who up to the present had not been fairly or justly treated. Mr. DUNCAN (Minister of Lands) said, One would think, from the honourable gentleman's speech, that this was a very deserving case, and that the Government had deprived this man of his land, and given him neither money nor land in return. This showed the honourable gentle-

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man did not know the particulars of the case. He would tell him all about it. The facts were that there were about nine hundred acres of land taken up by the petitioner, and when he went to the Auckland Survey Office he asked some one in the office if the river was the boundary of the land, and he was told that it was the boundary. This officer was not the head of the department ; but upon this reply he took up this property, and went to work and cleared a piece of manuka scrub. He was told the land belonged to the Maoris, and was not Crown land. He, then, must have known it was not in the power of the Government to give him the land. That was the time he should either have thrown up his section or have demanded compensation. Mr. SYMES .- What about the plan it was sold by ? Mr. DUNCAN said he had taken the trouble to ride over the land in company with Mr. Old, who pointed out the ground, and that revealed to him that this portion in dispute-the land that belonged to the Maoris-was in a very short bend in the river, with a very nice portion of light bush, and the balance was manuka, light scrub. A small portion of this scrub was cut down, and that was all the improvements He was visible, that one could be certain of. prepared to do this : to take the value of both sections at the date he took them up, and deduct the 200 acres, and allow that to be the basis of settlement. That was the only way it could be done. The land was not the Govern- ment's to give ; it was Native land. He did not think it would be going too far to allow him the difference between the 200 and the 700 acres, and the Government were prepared to do that ; but if they gave him the amount he asked he would be getting the 700 acres for nothing. Mr. MASSEY (Franklin) wished to say a few words, to indorse the remarks of the honourable member for Egmont and in reply to the Minister. Unfortunately he had not the advantage of being on the Waste Lands Committee, but he had had occasion to visit the Mahoenui district some time ago, and had heard the history of this matter not only from the petitioner but from other settlers in the district ; and he had come to the conclusion-in which he believed he was right-that it was an extremely hard case, and that the petitioner had suffered serious loss on account of a mistake made by the officers of the Survey Department, for which he thought the Government should be responsible. The history of the matter was briefly this: About 1892 the petitioner, Mr. Old, and some other settlers thought about taking up land in what was known as the Mahoenui Valley. They visited the district, and Mr. Old afterwards made application for a section, including what is known as the " Otaiao Bend." But before doing so they interviewed the Commissioner of Crown Lands on the matter, who, in answer to the following question put by one of the intending settlers : " Are we to understand that it is per- feetly clear that in selecting land here "-mean- ing the section in question-"we get a river Mr. Duncan frontage throughout, bend or no bend ?" replied " Yes." Mr. DUNCAN. - Mr Mueller was 3.0. never there at all. Mr. MASSEY said he was informed that it was the

Acting Commissioner-at any rate it was the head of the department at the time. However, the petition of Mr. Old stated that he applied for the section to which he had referred, and he was successful in getting it, he being declared the lessee. After obtaining possession of the land, he put a number of men to work at clearing, sowing grass, and so forth. About that time he was invited to come down and sign his lease, and on doing so he discovered that the whole of his river frontage was cut off, and that the portion known as the Otaia Bend, which he had improved and which was far more valuable than the other part of the land, was not included. Of course he objected, and was informed by the Commissioner that he could choose one of two alternatives : he could either take up the land, sign the lease, and later on the Government would acquire the piece that had been cut off, and hand it over to him ; or he could surrender his lease and apply for compensation. Mr. Old decided to remain on his land if possible, in the hope that the Government would acquire the land in question, which included, as he had said, the whole river frontage and the greater part of his improvements, and river flats particularly suitable for agricultural purposes. The Government, however, had not acquired the land. On account of the loss of the frontage, Mr. Old had to buy some privately-owned land at a considerable advance in price ; then, feeling that he had been badly treated, he petitioned the House on three different occasions. The petitions were referred to the Waste Lands Committee, who, on each occasion, had gone thoroughly into the matter, and had reported that Mr. Old's claim ought to be considered, and that he ought to be compensated. Mr. Old did not want-as the Minister of Lands implied -anything unreasonable; he did not want to sit free for the remainder of the 999 years, but he asked that his case might be submitted to arbitration. Mr. Old was a good settler ; he belonged to a family of good settlers, and who had done far more than their share of the work of pioneer settlement ; and he thought it was the duty of the Minister of Lands, who, in his (Mr. Massey's) opinion, was the one member of the Ministry who was amenable to reason, to see that justice was done to the petitioner. Mr. SEDDON (Premier) said, One would think from this discussion that the Government were blameable in respect to the matter, and that it had come up now for the first time and had not received from the Ministry that attention it demanded. The late Sir John Mckenzie, when Minister of Lands, had gone into the matter very fully, and he certainly was not a man of whom it could be said that he was not amenable to reason. He was not a man who would do an injustice to any settler. He had gone fully into this matter, and he was prepared to go the length the present Minister

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As to the land in question, the question had been brought under his (Mr. Seddon's) notice by Mr. Old and his friends, who advocated that some relief should be given to the applicant ; and, as regarded what the member for Franklin had stated, as to the extensive nature of the improvements Mr. Old had made on the land, instead of their being as stated by the honourable gentleman, one man for six weeks could do all that had been done in the way of improvements. The application had been before both the late Minister and the present Minister of Lands : and he might say that the Government were not prepared to allow people to force this colony or the Government into arbitration just as they liked ; and it was simply nonsensical to say that any person who had a grievance, either fancied or solid, should have the right to force the Government into arbitration on that question. It was for the Government to do what was just, right, and in the best interests of the colony. In this case the Minister of Lands had the solution of the matter, and he had practically a free hand in regard to it. Therefore, he did not see that there need be any talk about it. Of course, the member for the district, in bringing the matter up, wanted to let his constituents know that he was doing his duty. They therefore had this little " fare-up," and the member for Franklin was patting the honourable member for Egmont on the back. He had an object in doing so; but the Minister of Lands was the unfortunate man who had to do his duty, and they ought to leave him to do his duty. Mr. McGUIRE (Hawera) did not think it was right or just to treat Mr. Old in the way he had been treated. Even on the statement of the Premier the Government need not be afraid to submit this matter to arbitration.

The ques- tion had been before the Waste Lands Com- mittee on several occasions, and, if it were such an insignificant matter as the Premier stated, he need not be afraid to send it to arbitration. If the (Government were not prepared to give petitioner fair consideration, and do what was just, the House ought to force the Government to do it by carrying a resolution to that effect. He trusted a resolution would be moved by the member for Egmont. No individual in the community should be allowed to suffer through the mistake of a Government department. Every consideration should be given, in his opinion, to the back-block settlers, who had hardships and difficulties to endure which many honourable members were not aware of, having no experience in the real work of settlement. In the interests of justice the matter ought to be referred to arbitration. If the case for the department was a good one the Government had nothing to fear, and, should the subject- matter be submitted to arbitration, the peti- tioner would not receive more than he was entitled to. He therefore trusted the Minister would submit what appeared to him to be both equitable and just. Mr. LANG (Waikato) said he very much regretted that the Premier should treat this VOL. CXVII .- 33. importance to the gentleman concerned. The Premier had stated that there were little or no improvements on the place ; whereas it had been proved that Mr. Old had spent £150 on improving the particular part of the property that had been referred to. Then, the Premier stated that the matter had been "looked into"; that was very little satisfaction to the petitioner, if something more substantial did not arise from it. This matter had been " looked into " now for two or three years, and yet the petitioner had received no com- pensation whatever, and the Government would not even allow the matter to be de- cided by arbitration. Now, he wished to indorse all that had been said by the honour- able member for Egmont, the honourable member for Franklin, and by the honourable member for Hawera. He happened to have known Mr. Old a good many years, and he had been several times on the property, and knew When Mr. all the particulars of the case. Old first thought of buying this property he believed there were no other settlers in the district at all. Mr. Old went down to the Land Office to make inquiries, and was shown a map of the property, and he, with another gentleman who was with him, pointed out to the Com- missioner that there was a certain bend in this river not shown on the map, and they asked if the land he was acquiring went right down to the river and had a river frontage. They were told distinctly more than once, that "the land went right down to the river, bend or no bend." He wanted to point out that Mr. Old purchased the property chiefly on account of the flat along the river, which consisted of 278 acres, and which was the pick of the whole block. With- out that land the block was worthless, so much so that when unfairly deprived of it, he had to purchase seven hundred acres from an adjoining neighbour in order to work the section properly. Mr. Old made the improvements already men- tioned : but, when the lease was made out and sent to him for signature, he found it had then been discovered that the land did not go down to the river, and he refused to sign the lease. The department admitted a mistake had been made, and told him he was entitled to compensation if he liked to throw up the land: or, if he liked to stick to the land, they would see that this portion was purchased from the Natives, and he could take it up at the same price at which he had ac- quired the rest of the block. Now, being a bond fide settler, and not wishing to make anything out of the Government by way of compensation, Mr. Old said if he got the land he would be quite satisfied. It was agreed that the depart- ment should purchase the land from the Na- tives, and, when purchased, he should have the first right to acquire it on the terms he (Mr. Lang) had just mentioned. During this time Mr. Old had several offers from the Natives to sell this land. The department, however, asked him not to interfere, and they told him the Government would purchase the whole block of 900 acres, and would give him this piece of land

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stead of purchasing direct from the Natives, as he might have done, Mr. Old said to them, "No; go to the Government." This land was given to some Natives who, he heard, had no real claim to it at all. Be that as it might, however, the land was handed to certain Natives, and Mr. Old was ordered to drive his stock off

the place, and was compelled in consequence to buy another 700 acres of land. Now, the Committee did not deny the justice of the claim. Every member of the Committee, and the late Sir John McKenzie, admitted that ; and the present Minister of Lands admitted it, for when last year's resolution was carried by the Committee the Minister of Lands voted for it, showing that he approved of it. All that Mr. Old asked was that he should have the land given to him again, or, if not, that the matter should be settled by arbitration. There was nothing fairer than that; and surely the Government ought not to object to that, so that at least Mr. Old might get fair compensation. He thought, under the circumstances, that Mr. Old had been very unfairly treated by the Government allowing the matter to drag on year after year, and apparently putting every obstacle in the way of Mr. Old getting fair compensation. He thought that was the case, considering the attitude the Minister of Lands took in this matter, when he actually voted for this resolution, as shown in the Appendix to the Journals of the House for last year :- "I am directed to report that the Committee consider that a claim for consideration has been established, and that the extent of such consideration should be decided by arbitration, or such other way as the Government may decide, in the event of the Government being unable to secure the land to the petitioner." The petitioner would be much better satisfied if the land was handed back to him, but, if not, he asked that he should receive fair compensation, and was willing to allow the matter to go to arbitration. He asked the Government in all fairness to allow it to go to arbitration. Mr. SEDDON said he had been misrepresented. The honourable member said he treated this matter lightly. He did nothing of the kind. What he did say, and what he did think, was that the honourable member for Franklin and the honourable member were attempting to make political capital out of this matter. Captain RUSSELL (Hawke's Bay) rose to a point of order. He said it was monstrous that the Premier should be allowed to get up and asperse his opponents on the ground of making & personal explanation. The Premier was introducing new matter, and was attributing base motives to the honourable member for supporting the report. Mr. DEPUTY-SPEAKER said the Premier simply rose for the purpose of explaining that he had been misrepresented ; and he thought the Premier should confine himself to that statement. Mr. LANG matter lightly. He certainly attributed political motives, rightly or wrongly. That was what he actually said at the time, and the honourable member for Franklin proved he was correct now by disagreeing with him (Mr. Seddon) when he first made the statement. Mr. LANG said the explanation he wanted to make was in reference to the statement made by the Premier that this was a political matter, and that the member for Franklin and himself spoke on it purely on this ground. He wished to say that Mr. Old was never a constituent of his, and had never lived in any electorate he had the honour to represent, so that there was nothing in that way whatever. The reason he spoke about the matter was this: He visited the place on several occasions, and he knew that Mr. Old, as the member for Egmont had said, was one of the best pioneer settlers, and that he had put up with great hardships in the past in settling on this ground in the Awakino district. On that account, and because he (Mr. Lang) was a member of the Waste Lands Committee, before which the petition had come on several occasions, and considered Mr. Old had been unfairly treated he spoke as he did. Those were his only reasons for speaking. Mr. MASSEY (Franklin) said he was entitled to a personal explanation. The Premier told the House a few minutes ago that the member for Franklin had brought this matter up with the object of making political capital out of it. He had no such object. He had indorsed the remarks of the honourable member for Egmont because he happened to be an old personal friend of Mr. Old, and he knew that he was a good settler, and that he had been treated badly by the Government, and he thought he was entitled to compensation. Mr. SYMES (Egmont) said the Hon. the Minister of Lands had endeavoured to mislead the House respecting this matter by saying that Mr. Old had never been in possession of this land. He said, most undoubtedly, that Mr. Old was in possession of this land. The Minister also talked in a light and airy sort of way about the plan. Mr. Old was assured by the whole of the officials in the Land Office -they were the only people he could get the assurance from-that he was getting his land to the

river. If that had not been the case he would never have looked at this land at all, because when the Government took away the river boundary they took away the whole frontage. Further than that, the officials in the Land Office in Auckland told Mr. Old to stick to this land, although the Natives threatened to turn him off. The Minister of Lands said that Mr. Old had never sown any grass-seed on it. The Minister must remember that when he saw the land, at the beginning of this year, some years had elapsed since Mr. Old had held possession of this land. The Maoris had had their cattle, horses, and pigs feeding on this land for years, until they had eaten the grass out of the ground. Mr. DUNCAN (Minister of Lands) wished to explain his position. The petition that was

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sown or otherwise. He was on the land himself with Mr. Old, and saw the class of bush on it, and every word he had said about it was correct. One man could do all the work that had been done on it. He was sixty years of age himself, but he guaranteed he would have been able to do it all in ten or twelve weeks. He had offered to go into the matter with Mr. Old, and had given him the difference between the value of the class of land that belonged to the Maoris and the portion that was outside, about nine hundred acres, that he still held. He purchased it at about 7s. per acre all over; but the compensation that he asked was nearly the sum paid for the whole property, so that he would have about seven hundred acres for nothing. He thought that was a little too much to expect him to do. Mr. A. L. D. FRASER (Napier) said, No doubt good would result from the debate that had taken place on the petition. He desired to say it was unjust to accuse the Government of neglecting many of the questions that were brought under their notice every year. As members were aware, a measure had been brought down for years known as the "Washing-up Bill"—a Bill that was intended to do justice to individuals who laboured under disabilities. But who had prevented that measure from passing? It was not the Government, surely: it was the obstruction of honourable members. Last year, members met on Committee day after day, with the object of inquiring into certain petitions, and when the various matters had been looked into they were referred to the Government for consideration. Many of them were viewed favourably by the Government, and, as a consequence, a Bill was drafted and introduced to the House, with the view to giving effect to these recommendations. The measure, however, as he had stated, was not passed. He would like to suggest to the Government that it would be advisable to have the "Washing-up Bill" brought in much earlier every session, instead of leaving it to the dying hours of a session, when everybody was anxious to leave Wellington and return to their homes. Last session some most important public matters were involved in the Bill. Injustice had been done to individuals, to corporations, and to other bodies of people in different parts of the colony, and without the necessary legislation no relief could be given to them. He would like to mention that on one Committee, of which he was a member, the most difficult matters of law and fact were introduced and considered by the Committee. This Committee sat day after day last session, and, although they brought down certain recommendations to the Government, the measure which was intended to give effect to those resolutions was not carried by the House. In that Bill, too, there were petitions referred to that had been before the House for years. He would like to see the Government introduce the measure on the following day. The House would gladly deal with it. It would be much better in the interests of the country than if an Offices Bill, or some other retrograde measure which would only result in injury to the colony. If the Government intended to do justice to Mr. Old, whose petition had been favourably reported on for three years, a clause should be inserted saying that the matter in dispute would be referred to two parties for decision, one to be nominated by Mr. Old, and the other by the Government. Mr. BOLLARD (Eden) would not have said anything in this debate if it had not been for the remarks of the last speaker. The statement the honourable member had made in defence of the Government was altogether incorrect. He had accused members, especially members on the Opposition side of the House, with blocking what he had been pleased to call the "Washing-up Bill" of last session.

Now, as a matter of fact, the Government never brought that Bill down for second reading. The measure was simply introduced ; it was carried no further, and the honourable member ought to have known that. For himself, he hoped the Bill would be introduced this session and put through. Mr. A. L. D. FRASER (Napier) wished to make a personal explanation. He did not say that the members of the Opposition obstructed the Bill last session. Indeed, he would admit at once that stonewalling was altogether unknown in the parliamentary experience of those honourable members; it was foreign to their He trusted the member for Eden nature. would accept the explanation. Mr. HOGG (Masterton) said he agreed with the member for Napier in his remarks on the "Washing-up Bill." It was very desirable that the Bill should be brought doan earlier every session than it was. As for the Bill of last session, he believed it was something like charity: it covered a multitude of sins. and it was his intention to keenly scrutinise every Bill of that kind that was brought before the House in the future. It was, perhaps, a good thing for the country that last year's Bill was not allowed to pass into law. From some dis- closures that had since come to light, he re- garded it as a measure that would not bear inspection. With regard to Mr. Old s petition, he wished to say it had received a great deal of attention from the Waste Lands Committee on more than one occasion, and he thought if the applicant would only meet the Minister of Lands in a fair way, and endeavour to arrive at a reasonable compromise and not open his mouth too wide, the matter would cease to trouble the Committee or the House. Mr. MILLAR (Dunedin City) said he had been brought to his feet by the remarks of the honourable member for Napier. The honour- able gentlemen had suggested that the " Wash- ing-up Bill " of last session should be again introduced this session. Well, if it was intro- duced, he (Mr. Millar) intended to give it very close attention, because under the measure of last year an attempt was made to over-ride the statute law of the colony. He referred to a Bill that had this year been brought up as

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reported against, as it was not, in their opinion a local Bill. When the measure was before the House last session he accepted a lawyer's word on a certain matter that had reference to a block of land, the title of which had been granted under the New Zealand Company's charter. The land grant was issued in 1851. or thereabouts, to the person who was entitled to it, and in 1892 a Bill was passed through the House, which practically killed the whole of those old titles. It gave a certain 3.30. limited time in which all applications had to be made for this land, and if these claims were not made within that time, that land should revert back to the Crown. In 1894 the Bill was further amended- Mr. DEPUTY-SPEAKER could not allow this discussion to go on. The honourable member must confine himself to the subject before the House, and not discuss the provi- sions of another Bill. Mr. MILLAR said, All he had to observe was that if there was any attempt to bring in clauses of that description again it would not be successful, if he could help it. In regard to this particular case which had come from the Committee, he would want fuller information regarding it before he would support it. There was no doubt there was a deliberate attempt on the part of a large number of people in this colony to simply rob the Government, by forcing these matters to arbitration. When any of these cases arose and the matter was forced to arbitration, the tendency was to look on the Government as an individual with a very long purse, and in nine cases out of ten the arbitration went against the Government. An Hon. MEMBER .- What about the Midland #cc-zero Railway ? Mr MILLAR said the case of the Midland Railway was fortunately an exception, in which the arbitration went in favour of the Govern- ment ; but it could not go in any other way, because the evidence was so overwhelmingly in favour of the Government that no arbitrator could have come to any other conclusion than that which was arrived at. Of course, the honourable gentleman was now raising a ques- tion that he could not debate at the present time, in connection with the debenture-holders and shareholders of that company, but no doubt at another time they would have the opportunity of discussing that question. On the particular matter just now engaging the attention of the House, whether or not a ques- tion of

compensation should be referred to arbitration, he himself believed the Government would not do an injustice to any one in a question about land. The advantage had been on the other side altogether. There had been any amount of these cases in the House since he had been a member of it where, over and over again, it had been shown that the Government had been "had " in connection with the land where the matter had gone to arbitration. An Hon. MEMBER .- Not in the North. Mr. MILLAR said, Yes, in the North Island as well as in the South Island. He sincerely Mr. Millar selves to be put in that position again. He regretted that Mr. Deputy-Speaker had ruled that he could not deal with the other matter to which he had referred, because it was a very important one ; but, no doubt, an opportunity would be presented in the financial debate to bring the matter before the House, because he thought if the Government by a side-wind like that attempted to over-ride the statute law, the House should know it. What was more, if any further " Washing-up Bill " came before them, he would require the fullest explanation before he would be an assenting party to its going through ; and he might say, if there was any- thing doubtful about it, and there were half a dozen members of his way of thinking, it would not go through that session. Mr. R. THOMPSON (Marsden) said, Coming back again to the petition of John Old, he would like to say a few words This petition had been before the Waste Lands Committee for three successive sessions, and the Committee had recommended that the petitioner should be paid fair and reasonable compensation. He (Mr. Thompson) believed that if it had not been for the action of some of Mr. Old's friends in this House the whole matter would have been settled before now. Correspondence was laid before the Committee this year which showed, to his mind, plainly, that Mr. Old's friends in this House had done him a deal of harm. An Hon. MEMBER. - Whom do you refer to ? Mr. R. THOMPSON said, No one in particu- lar. Mr. Old had been foolish enough, owing to the encouragement he got from some members of the House, to place himself in the hands of a solicitor, and that solicitor had made demand, on the Government which he (Mr Thompson) said the Government would not be justified in agreeing to. If Mr. Old had been left to him- self, and been allowed to deal directly with the Minister of Lands, who went up and visited the place when he was in the district, he believed the matter would have been settled : but, to judge by the letters read this year before the Committee from the solicitor, he said the Go- vernment would not be justified in agreeing to his demands and submitting the case to arbi- tration. He had no hesitation in saving, from what he knew of the case, if Mr. Old had not been led away by the advice tendered by some of his friends in this House, but had kept away from the solicitors and had dealt directly with the Minister of Lands, there was no doubt whatever that justice would have been done to him, and he would have got fair and reason- able compensation. Motion agreed to. # WORKERS' COMPENSATION FOR ACCIDENTS ACT. Mr. FLATMAN (Geraldine) asked the Pre- mier, If he will consider the advisability of amending " The Workers' Compensation for Accidents Act, 1900," with the object of making it clear as to whether all workers within the colony come under the provisions of and are in- cluded in that Act? This was an important

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question to the country, and one on which various opinions had been given. He thought the majority of the opinions were that the agriculturists were included in "The Workers' Compension for Accidents Act, 1900." He was rather of opinion that he would get an answer from the Premier to the contrary ; but he might say that he had a legal opinion, that although the farm labourer might not come under the Act, still, at the same time, farmers were liable for all contractors who worked on their farms. Now, he thought that the Act should be amended and made clear, so that every agriculturist and pastoralist would have the opportunity of providing for That was why he accidents by insurance. asked the question. He had no objection him- self to agricultural labourers coming under the provisions of the Act ; in fact, he thought it would be a very good thing, provided that em- ployers could get a covering rate in accordance with the risk, which was not the case now with the Government Accident Insurance, at least, who were charging

the farmers three times as much as they should do at present. He trusted the Premier would see his way to make this clear to the country, so that the country-people might understand the position they were in relative to the workers in their employ. Mr. SEDDON (Premier) understood the honourable gentleman had told the House that he had received a legal opinion that the agricultural labourers were not included in the Workers' Compensation for Accidents Act. Mr. FLATMAN said the legal opinion was that it was not clear as to whether agricultural labourers came under the Act or not, but that, at any rate, farmers were liable for all contractors that worked for them. Mr. SEDDON said, That was exactly the position. The opinion was that it was not clear whether or not they came within the scope of the Act ; but the advice the Government had got was that it was clear they did not. Of course they would be told, If there was a doubt, why not remove it. He was going to show why. They had in New Zealand a transcript of the Imperial Workmen's Compensation Act. An Hon. MEMBER .- NO. Mr. SEDDON said that with respect to this matter the law was the same. He had himself had charge of the Bill, and had given instructions for the drafting of it, and was responsible for it, and surely ought to know better than the honourable gentleman. The Act was in this respect, at all events, a transcript of the Imperial Act; and what did they find ? They found that in the House of Commons a Bill had been introduced extending the Workmen's Claims for Compensation Act to the agricultural labourer. For that purpose a special Act had been introduced. Therefore, if our Act was a transcript of the English Act' in this respect, and it was necessary in the Mother-country to pass an Act of Parliament to extend the Act to agricultural labourers, it would require an Act of Parliament here to do the same thing. That, of course, was his contention. If the intention of the Legislature upon this question had been thwarted - if they had gone further than they had intended, then it was their place to see that that was rectified. There might be an opinion that the agricultural labourer should be included, and some might think they should let it remain so; but his answer to that was that they ought to keep good faith, and that this had not been intended when the Act passed. Mr. TANNER .- Oh, yes, we did intend it. Mr. SEDDON said the honourable gentleman might have intended that, but he (the Premier) had not done so. Then, what was it that had raised this matter, and had caused all the friction. It was the insurance agents, and he was told even the Government Insurance agents had gone this far : that, with the view of promoting business, they had created a scare, and that they had gone to the farmers and had got them to insure. Was the Legislature, because interested companies got up a scare of this sort, to legislate ? If, he repeated, the present law applied to agricultural labourers, he would be the first man to bring down a Bill and to say, If you want to make it apply, do so ; but it was not so intended. An Hon. MEMBER .- Some of the best lawyers in the country say it does. Mr. SEDDON said .- Well, " when in doubt, play trumps," and the trump-card in this case, he supposed, would be to await a Supreme Court decision or introduce a Bill ; and the might introduce one, but they could not at present get it through. However, as he had said, on being satisfied that what the insurance companies alleged was true, it would be the duty of the Government to try and alter it. Parliament ought to come to some decision upon it. . An Hon. MEMBER .- Take it to the Supreme Court. Mr. SEDDON did not know whether they could do that ; at all events, he would see if that could be done. Then, there was the other point, that the farmers were responsible for the contractors. If the law made the contractor responsible, that was right; for he had the machine, the engine, and was the employer, and should be held responsible ; but it would be manifestly unfair that the farmer whose stack would be threshed out in two or three days should be liable to be mulcted in damages amounting to \$300 or £400. That would be unjust ; and if the law was such, then they ought to make that right, and to make it clearly so. The man who had the machine and who employed the workmen was the man who ought to be responsible for the workmen : but, that the farmer who brought the machine into his place for a few days should be responsible was wrong, and had never been intended by the Legislature. He thought if they allowed matters to take their course they would find out that he was not asleep, but that he knew what he

was doing. He would watch the thing carefully, and if he could be satisfied that there was doubt it should be rectified. What was wanted was to give the country confidence that the Legislature would

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not do what was unjust to any section of the community. Mr. FLATMAN would like the Premier to assure the House that he would endeavour to make it clear before the end of the session, so that there need be no further anxiety regarding it. Mr. SEDDON said he had already obtained advice upon the question, and he would take further advice respecting it, and his future action would depend upon that advice. If it was the case that a scare had been created by self-seeking and interested persons, for the purpose of getting business, what he wanted to do was to get hold of those men, because they were really getting money by means of false pretences - by frightening farmers into insurance by saying that the law was so-and-so, was, he thought, getting money under false pretences. There was a good deal of that going on ; and it was impossible, under the existing law, for what they said to occur. Mr. MASSEY said the farmers were afraid to employ outside labour in case of accidents happening for which they would be held responsible. # CONCILIATION BOARDS. Mr. COLLINS (Christchurch City) asked the Minister of Labour, If in his remarks " that Conciliation Boards sat too much, and were doing the thing to death," he included the Canterbury Board in such remarks? His object was not to question the justice of the honourable gentleman's remarks, but to narrow their application. Mr. SEDDON (Premier) said he had said what he had with a due sense of responsibility, and with a desire to check what appeared to him to be an unsatisfactory condition of things. He had said the other day it was not so much the Conciliation Boards which were at fault as the law we had given them to work. WINTER RAILWAY-EXCURSION FARES. Mr. McGUIRE (Hawera) asked the Minister for Railways, Whether he will issue cheap excursion tickets in the winter months, to extend over three months, thus allowing the farming community an opportunity of travelling at excursion fares, as under existing conditions they are debarred from taking advantage of those in operation ? He was satisfied it was the desire of the Minister to do even justice to all sections of the community. Farmers and agricultural labourers had no opportunity of taking advantage of the summer excursions, and he thought the Minister would be acting in the true interests of the community if he instituted excursions during the winter-time for the farmers and their employés, as " All work and no play made Jack a dull boy." He hoped to receive a favourable answer. Sir J. G. WARD (Minister for Railways) said no class was more deserving of consideration than the farming class ; but very heavy concessions had been already made in passenger fares during the last twelve months or so, and the excursion fares were now among the cheapest in the world. If anything could be done in the future in this direction he would be prepared to consider it, but nothing immediate could be done in view of the magnitude of recent concessions. FREIGHT ON COCOANUT OIL-CAKE. Mr. CARNCROSS (Taieri) asked the Minister for Railways, If he will so amend the railway charges as to permit of cocoanut oil-cake, used for feeding dairy cattle, being carried at the same rates as are charged for linseed oil-cake ? This was a question of some importance to agriculture. At present linseed oil-cake, used for feeding dairy cattle, was carried over the railways at a reasonable rate, whereas cocoanut oil-cake, imported from New South Wales, which was used for the same purpose, was charged 100 per cent. more. He understood it was the policy of the railways to encourage locally-made articles by cheapening the freight thereon, but he would point out that the locally-made article was already highly protected through the Customs. At any rate, they should do all they could to assist the dairy industry, which was acknowledged to be of such vast importance to this country; and this concession would only mean a small sum to the department, while it meant something considerable to the farmer. He hoped the Minister at the head of the Railway Department would give this subject his favourable consideration. Sir J. G. WARD (Minister for Railways) said the department did not differentiate between cocoanut oil-cake and linseed oil-cake. Oil-cake, not otherwise specified - that was. imported oil-cake of any kind-was charged at Class D, the

lowest merchandise rate in the tariff. New-Zealand-made oil-cake was charged Class E. That was in accordance with the general practice of the department to make concessions in favour of local industries. The same arrangement applied to native coal, which was charged at a less rate than the imported coal. He would, however, be glad to look into the matter and confer with the honourable gentleman.

ACCOMMODATION FOR PASSENGERS ON SOUTHERN TRAINS. Mr. ARNOLD (Dunedin City) asked the Minister for Railways, If he will,-(1) Haston on the work of upholstering the seats in all second-class carriages running to and from Dunedin ; (2) have lavatories fitted to all first- and second-class carriages on the said lines : and (3) place a dining-car on the Dunedin- Invercargill express? The Minister deserved every credit for the improvements he had made on the railways during the last two or three years. In regard to the first part of the question, there were already a large number of carriages fitted up, and these were very much appreciated ; and he thought the department should issue 'instructions to have the whole of the second-class carriages fitted up in the same way. In connection with the second part of the question, there was considerable inconvenience felt by second-class passengers, especially on long journeys, as from Christchurch

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regard to the dining-car, it must be admitted the accommodation at Clinton was second to none in New Zealand ; but a large number of passengers preferred dining-cars, and he thought there should be a dining-car between Dunedin and Invercargill. Sir J. G. WARD (Minister for Railways) said the equipment of second-class carriages in the way indicated was being proceeded with as fast as circumstances would permit, and there were 237 so equipped, which were now being used on all trains ; the rest would be completed as soon as possible. In regard to the second part of the question, he was surprised to hear that there was any complaint about lavatory accommodation on the through trains, as it was provided on all trains, though not in every carriage. On no railway service in any part of the world was there such accommodation in every carriage, nor was it the intention of the Government to provide it in every carriage; but sufficient lavatory accommodation would be put on all the trains, and on long-distance trains it was intended that there should be sufficient accommodation of the kind provided for the whole of the passengers ; and a proper system of gangways were in course of construction between each carriage, so that people could go from one carriage to another as they desired. In this respect no inconvenience could be experienced by the travelling public. If there were such conveniences in every car, as the honourable gentleman indicated, the seating accommodation in the cars would be considerably diminished, more cars would require to be put on, and the trains would consequently be heavier to haul ; the trains would possibly be delayed, and, as the honourable gentleman knew, punctuality of running was a feature of the New Zealand railways, and the trains kept to their time unless under extraordinary circumstances. With regard to the third part of the question, the express service referred to was, as the honourable gentleman knew, one of the fastest in the colony, and the time had been considerably shortened during the last few years. That to some extent minimised the necessity that previously existed for having a dining-car on that train. Before the extra accommodation was provided at Clinton, he gave instructions to have dining cars built for both these express trains ; but, in view of other pressing works being required, and the accommodation on the line in question being now very good, he had ordered the construction of the cars to be suspended for a time, until more important works had been carried out. The matter had not been lost sight of, and the time would come when dining-cars would be placed on the express trains there as in other places. # HILLSIDE WORKSHOPS. Mr. ARNOLD (Dunedin City) asked the Minister for Railways, When he contemplates establishing an iron-foundry at the Hillside Workshops ? He trusted that the Minister would be able to answer this question as satisfactorily as the last. Both at Petone and Christchurch foundries, and one had been promised at Hillside. He thought it was quite two years since the promise was made. The Hillside Workshop was fully equal, if not superior,

to any in New Zealand, and he trusted that the Minister would give instructions that an iron-foundry should be established there as soon as possible. The Minister would recognise the importance of the Government so equipping the various workshops that they would be able to do every part of their own work. Sir J. G. WARD (Minister for Railways) said that a foundry would be established at Hillside when funds were available for the purpose, but at present funds were not available. A great many other things had to be done throughout the colony, and he would be exceedingly glad, when funds were provided for this work, to give instructions to have it put in hand at once. # RAILWAY CONCESSIONS TO TELEGRAPH LINEMEN. Mr. G. J. SMITH (Christchurch City) asked the Postmaster - General, Whether he will arrange for the telegraph-line constructors to have a monthly concession on railway-fares, on the same basis as the employés of the Railway Department, so as to enable them to visit their homes if they so desire ? He understood that the employés in the Railway Department were entitled to a reduction in fares once a fortnight if they wished to go to their homes. The men employed on the telegraph construction - line gangs sometimes did not get home for five or six months, and at present they got no concession at all over the railways. This seemed to be a hardship, and he trusted the Minister would be able to arrange that some concession could be given to the men he had indicated. Sir J. G. WARD (Postmaster-General) said if it were possible to give effect to the honourable member's desire he should be very pleased to do so, but a concession of this sort could not be given to one department unless it was given to the whole Civil Service. An Hon. MEMBER .- Why to the Railways ? Sir J. G. WARD said that railway employés all over the world were allowed certain privileges as part and parcel of their employment ; but if the Railway service were to be taken as a guide and precedent for giving concessions to the whole Civil Service, then he was exceedingly sorry that what the honourable gentleman asked could not be done. He had no feeling against them on the matter; on the contrary, he would gladly do it if he could ; but, the numbers of the Civil Service being so great, to make concessions of the kind suggested would mean that the outside public generally would expect to receive equal concessions, and, logically, they ought to receive in such matters as much consideration as members of the Civil Service. Mr. G. J. SMITH said these men who were working on the telegraph construction gangs were away from their homes doing Government work, and some concession should be given to them if they wished to visit their homes once a month. They had a better claim to this than

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home. Sir J. G. WARD said he was entirely with the honourable gentleman, but officers of other branches of the service would regard their right as being equally as strong as that of the men whose claim the honourable gentleman was advocating. There must be some principle on which the Railway Department was administered ; and to make concessions in favour of one body of men as far as railway-fares was concerned would not be right unless it was granted to every employé in the Civil Service. Such a precedent if made to one section would be very hard to resist, and it would require to be done for all ; and, as he said, the general public had to be considered, and if such concessions were given they were as much entitled to them as any one else. The Postal-Telegraph Department could not be expected to put the money upon the estimates to provide for the payment to the Railway Department of the fares of these men by way of the concession suggested by the honourable gentleman, and that was the only way it could be done. KAIKORA NORTH RAILWAY-STATION. Captain RUSSELL (Hawke's Bay) asked the Minister for Railways, Whether he will cause a verandah or shelter of some kind to be erected at the railway-station, Kaikora North, for the convenience of passengers waiting the arrival of the trains? At this station there was a great want of shelter for persons waiting for the train. The station served the convenience of a large country district as well as the town, and persons had to travel considerable distances to meet the trains at the station, and the consequence was that they had not infrequently to wait in rainy weather without shelter, because the small amount of shelter at the station was often filled up

by goods which were landed on the passenger-platform and stored there. On many occasions he had seen persons on the platform absolutely unable to get shelter from the southerly rain, and therefore the work was a necessity. Sir J. G. WARD (Minister for Railways) said the passenger traffic at Kaikora was very small, and he was informed the station was well provided for in the matter of shelter by the vestibule, which was a good and suitable one ; and, in view of the necessity of more pressing works being provided, he was unable in the meantime to give a promise that a verandah would be erected. If there were funds available for the pressing works of the colony, and something in excess of that for less pressing works, this application could be then taken into favourable consideration. # HASTINGS RAILWAY-STATION. Captain RUSSELL (Hawke's Bay) asked the Minister for Railways, If he will cause a crane to be sent to Hastings Railway-station to facilitate the loading and unloading of heavy packages of goods, which arrive and are despatched in large numbers, particularly during the spring and summer months? He hoped the colony Mr. G. J. Smith was unable to provide a crane for the unloading and loading of goods at this station. At present heavy packages of machinery had to be handled without proper appliances for lifting, and were thereby liable to injury, and he hoped this small expenditure will not be beyond the reach of the department. Sir J. G. WARD (Minister for Railways) thought, with the honourable gentleman, that a crane was a very desirable thing to have at this station, in order to lift the heavy goods, and he would give instructions for one to be placed there. ROLLING-STOCK FOR WAIKATO LINE. Mr. NAPIER (Auckland City) asked the Minister for Railways, If he will have the building of a sufficient number of railway-trucks put in hand at the Railway Workshops, Newmarket, to provide for the expanding trade on the Waikato line ? He would point out that trade on the Waikato line had increased considerably of late, and he was informed that there had been a deficiency of trucks not only in connection with the Taupiri Coal-mines, but in other directions, to the inconvenience and loss of the trading community. He hoped the Minister would see his way to have the building of an increased number of trucks placed in hand in the Newmarket Workshops at an early date. Of course, he knew that the Minister was doing his utmost to increase the rolling-stock of the railways throughout the country, and that Rome was not built in a day : still he would be glad to have a favourable answer to this question. Sir J. G. WARD (Minister for Railways) said the following new rolling-stock had already been authorised to be built at the Newmarket Workshops for the Auckland Section-namely, four bogie brake-vans, three horse-boxes, ten cattle-trucks, fifteen sheep-trucks, five covered goods-vans, seventy-six 7-ton iron highside wagons, twenty-five lowside wagons, five timber-trucks, two bogie sheep-trucks, and two bogie cattle-trucks ; total, 147 vehicles. This work would be sufficient to keep the Newmarket shops fully employed for a considerable time to come. # MERCER RAILWAY-STATION. Mr. LANG (Waikato) asked the Minister for Railways, When the refreshment-rooms at the Mercer Railway-station will be completed ? The railway-station at Mercer was destroyed by fire about the 23rd December last, and even if the utmost speed was used in building the station it would probably be nearly twelve months from the time of the fire before the refreshment-rooms were rebuilt. The public had suffered a good deal of inconvenience on account of not having a proper station and refreshment-room at an important station like this, where trains so often stopped for refreshment. The lessee had done everything in his power to provide for the wants of the travelling public, who, even in spite of that, had been put to great inconvenience. He hoped the Minister would see his way to have the new station erected as early as possible.

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it was expected that the new station would be finished in about three months. He might point out that after the railway-station was burnt down the lessee was offered by the department, at the expense of the department, to have temporary refreshment-rooms erected on the old site, but the lessee declined, for what reason he did not know. The delay in commencing rebuilding was to some extent due to a local agitation which was made to induce the department to erect the railway-station upon the old site. As the

old site was close to the railway tunnel, it was not desirable from a traffic point of view, even apart from the score of danger to those who required to use the station premises for shunting and so on, to re- erect on the old site, and it was felt to be incumbent to select another and lighter place. But, as he was always ready to hear the representations of those who took an opposite view from the department, it took a considerable time before the agitation reached a definite point ; and, after inquiry, he declined the request to keep to the old site, and they were then in a position to go on with the new station. That agitation was responsible-he did not, of course, say improperly - for some delay in commencing the work. #

TELEGRAPH MESSENGERS. Mr. G. J. SMITH (Christchurch City) asked the Postmaster - General,-(1) What are the hours during which telegraph messengers are on duty; (2) whether all messengers have to take their share of night-work in the delivery of messages ; and (3) how many messengers doing such night-work are under the age of fourteen years ? Sir J. G. WARD (Postmaster-General) said telegraph messengers' duties averaged from seven to eight hours a day, in shifts, between about eight a.m. and midnight. At Wellington, however, the hours might extend until two a.m. during the session, whenever the House sat up to that hour. Night duty was taken by all messengers in turn. There were twelve boys under fourteen employed as messengers at offices which kept open till midnight. Where they did night duty they were as a rule released before midnight, and at Wellington at nine p.m. and ten p.m. He might tell the honourable member that only last year he increased the maximum age for telegraph messenger - boys from fifteen to sixteen. That was in order to get, if possible, older boys, between the ages of thirteen and sixteen, to take up this class of work. The older boys would, however, be put on the night duty generally for the future.

MAORI NAMES OF RAILWAY-STATIONS. Mr. E. G. ALLEN (Waikouaiti) asked the Minister for Railways, If he will send a competent Maori scholar to report on the correctness or otherwise of the spelling of Native names of railway-stations in the colony, and have any errors corrected that may be found to exist ? Owing to a want of knowledge of the Maori language many of the names of railway- - an instance of two or three in the district he represented. He was informed that Waitati should be " Waititi," and Purakanui should be " Purakaunui." Again, Waihora should be "Waihora," and so forth. These wrongly spelt names were apt to be perpetuated if not corrected soon, and he would like to see the Native names of our railway-stations preserved correctly. Sir J. G. WARD (Minister for Railways) said he was quite in accord with the views the honourable member had just expressed. He would like to point out that in 1900 he replied in a similar direction, and then stated that the names of the different stations had been referred to two Maori scholars, one each in the North and South Islands, with the object of having these names correctly spelt. He was sorry to say that so far neither of them had sent in their corrections to the department. On former occasions he had given utterance to views similar to those the honourable member had just given expression to. He thought the names ought to be corrected. He had a list of several stations in different parts of the colony where the names were incorrectly spelt. Mr. Percy Smith, to whom the North Island names were referred, was at the present time in the islands, as honourable members knew ; and on the other hand his friend, Mr. Parata, the member for the Southern Maori District, had very kindly promised to assist him in obtaining correction of certain names in the South Island. He should be very glad indeed to have the matter expedited both in the north and south, and in the absence of Mr. Percy Smith, he would try and select some officer who had sufficient knowledge of the Maori language to assist in having the names put right throughout the colony. Mr. HOGG might be allowed to suggest a member of the House who would be thoroughly competent to correct these names-the member for Manawatu, Mr. Stevens. ##

OEO POINT LIGHTHOUSE. Mr. McGUIRE (Hawera) asked the Minister of Marine,-(1) If he will favourably consider the advisability of having a lighthouse erected in or near Oeo ; (2) if a lighthouse is considered too expensive to maintain, will he, without delay, have a bell-buoy erected similar to the one at Nelson Harbour ? He regretted there should be any necessity to ask this question. There was no doubt as to its importance. If a light- house had been

erected at Veo the loss of life that had taken place lately would probably not have happened. It was now only six years, and four vessels had been lost at the same point, and also twelve valuable lives. Steps should be taken without delay to prevent a recurrence of such a shocking catastrophe in future. He therefore trusted that the Minister of Marine, in the interests of the shipping people and in the interests of poor humanity, would see that something was done in the direction his question indicated, and that without delay.

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the attention of the department had not been drawn to the necessity for a lighthouse at Oeo Point until the recent wreck there of the "Lizzie Bell." He was very doubtful, even had there been a lighthouse there, if the loss of this vessel would have been averted, because there was the vessel supposed to be going in one direction, and afterwards found to have gone in a totally different direction. However, he was not done with that matter yet. Unfortunately, his Nautical Adviser was at present indisposed, and he had not had an opportunity of consulting him on the question now under reply ; but, with reference to substituting for a lighthouse a bell-buoy, similar to that at Nelson, he was very doubtful if it could be done, seeing the difference in the circumstances. At Nelson the water was comparatively smooth, but on the West Coast there were often very heavy seas. But his attention having been drawn by the honourable member, and also by the Assessors who sat on the recent inquiry, to this matter, he would make inquiries to see if something could be done to avoid a recurrence of such a fatality as that which occurred recently.

LUNATIC ASYLUM ATTENDANTS' PAY. Mr. FISHER (Wellington City) asked the Government, Whether they will consider the advisability of increasing the pay of attendants at the lunatic asylums throughout the colony, in accordance with the recommendations of the officers in charge of such asylums ? Every person, whether a member of the House or not, would admit that great care was necessary in the selection of persons to fill the positions of attendants in the lunatic asylums of the colony, and he must say that, as a rule, a first-class set of men had been appointed in the past. It was, of course, desirable that a high state of efficiency should be maintained, and it followed that, unless the Government dealt more liberally with the attendants than they did at present, the staffs of the asylums would become so depleted that the institutions and the patients must suffer. He did not pretend to an exact knowledge of what qualities were required in an attendant, but he held in his hand an admirable letter written to one of the Wellington papers, signed "Ex-Attendant," in which the writer, in these words, described the hours of labour and the duties performed by attendants at lunatic asylums :- "The average duty is thirteen hours per day ; dance duty, once a fortnight, two hours extra. Leave consists of three days per month, including one Sunday, and thirty days' annual leave after each year's service. The only other time allowed for recreation is every alternate evening after duty, from 6 p.m. to 10.30 p.m. ; in the case of married men, from 6 p.m. until 6 a.m. I believe the Act referring to asylum staffs says that one full day's leave shall be given every fortnight. A full day in any other part of the world means twenty-four hours-in the institution referred to it means twelve hours ; and all this for the paltry sum of \$70 a year and found. An attendant may reach £80 by an annual rise of £5; and charge attendants, of whom there are three, may reach \$100 by the same annual rise. A simple calculation of the above facts will prove that each member of the staff works over ten hours and fifty minutes per day for 365 days in the year, even after allowing for all leave. The conditions of labour being so much more favourable outside, men will not stay long under the above conditions, and the patients suffer thereby, as their requirements cannot be attended to by an ever-changing staff." The whole pith of the argument was that the efficiency of the asylums of the colony could not be maintained, and the exact wants of the patients attended to, where there was, as the writer put it, an "ever-changing staff." That was the actual ground of complaint-that the hours were extremely long, and the pay surprisingly small. This, of all subjects, was one that ought to receive the generous attention of the Government, for the case was not overstated ; and he would like to hear the honourable gentleman

say that he felt himself in a position to announce that a change would be made, and that the Government would not only shorten the hours of labour, but would also increase the rate of pay. Mr. HALL - JONES (Minister for Public Works) said the question of the payment to, and the hours of, attendants at the lunatic asylums was now receiving the attention of the Government. In the estimates, as the honourable member would see, there was an increase provided for the artisan attendants-they were mostly artisan attendants - and the clerks. With regard to the payment, it had also to be taken into consideration what the attendants received in addition to the amounts mentioned by the honourable member. A male attendant started at \$70, and worked up by annual increases of \$5 per annum to \$80. He received his board, lodging, washing, and uniform, and he had equal to a total of some sixty-eight holidays each year, in addition to the evenings they were allowed when off duty. One month holiday leave was granted each year, and this, of course, included the days of twenty-four hours referred to by the honourable member. The matter of hours he did not like. To his mind the number of hours worked per day were too many; but it was well known to all who visited these institutions that the attendants had not hard or arduous work to perform ; but he thought it was not wise to keep them on for the long hours for which they had been kept on hitherto. Of course, any alteration made in the hours of work would affect the holiday leave of the attendants, and some attendants had informed him that they would prefer their present hours, leave every year, and the days off that were allowed at the present time, rather than shorter hours and a less number of holidays in the year. The questions of pay and hours were, however, under the consideration of the Government at the present time. He might

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hours day in the institutions instead of the present hours, it would mean the large increase in cost of £6,500; as more hands would be required for the extra attendance. Of course, in any steps the Government took they would consider at the same time what was desirable in the best interests of the inmates of the institutions. Mr. FISHER said it was a little unfair to say that the board, lodging, washing, et cetera, formed an addition to the pay. That was a hard, stereotyped, official, and, might he say, a narrow view to take of the matter. The honourable gentleman said the work was not hard. He (Mr. Fisher) knew men who after a year or two were very glad to get away from it. There was a rule in the asylums-he said this subject to correction-to the effect that if an attendant were dismissed, even after years of service, he received no retiring allowance ; but that if he were retired, or retired voluntarily, he might receive a retiring-allowance ; but if he left the asylum in opposition to the wish of the Superintendent he was cut off from any hope of receiving a retiring-allowance. If the Government were about to review the whole matter, as the honourable gentleman said, that question should also be taken into consideration. He knew one attendant named Power who wished to retire after three years, having had enough of the work. Dr. MacGregor wished to retain him, but rather than remain in the service he abandoned his retiring-allowance. Mr. HALL - JONES said the honourable gentleman expected that board, lodging, washing, and uniform should not be taken into account in considering a man's salary. Surely it was only businesslike that such things should be considered. As far as the lightness of the work was concerned, he did not say it was light, but, at any rate, it was not hard ; but he admitted it was trying to those who undertook the duties. The question of retiring-allowance would be considered at the same time as the other questions. # RAILWAY-WORKS. Mr. COLLINS (Christchurch City) asked the Minister for Public Works, How it is that 81 artisans and 1,062 labourers are employed on the North Island Main Trunk Railway-line, while only 18 artisans and 404 labourers are employed on the Midland Railway, 9 artisans and 248 labourers on the Blenheim-Waipara line, and 86 artisans and 484 labourers on the Otago Central line? Honourable members would be aware that a very large amount of influence had recently been brought to bear on the Public Works Department with the object of compelling that department to make more strenuous efforts in regard to the completion of the North Island Main Trunk Railway. He did not in the

least degree oppose these efforts, and he would like, as much perhaps as honour- able members representing northern electo- rates, to see that railway completed ; but he just wished to draw the Minister's atten- there were within fifty as many artisans and labourers employed on the North Island Main Trunk line as were employed on the combined Central Otago, the Midland Railway, and the Waipara-Blenheim line. And, while he had no desire to interfere with the works on the North Island Main Trunk line, he did think it was his duty to see that in the working of that line the other lines were not correspondingly neglected in regard to the number of men who ought to be employed upon them. As he had just pointed out, the number at work upon the North Island Main Trunk line was within fifty of the total number employed on the other three lines to which he had referred ; and he wished also to emphasize the necessity of the Waipara-Blen- heim line. He would ask the head of the department how it was that there was such disparity in the number of labourers and artisans that were employed on these respective lines, and to urge the necessity of a greater number being employed on the completion particularly of the Waipara-Blenheim line. Mr. HALL - JONES (Minister for Public Works) said the matter was of very easy ex- planation. The honourable member was no doubt aware that the sums voted for these respective works were: North Island Main Trunk Railway, \$130,000 ; Midland Railway, \$100,000-that meant on the Canterbury side, the West Coast side, and the section in hand from Nelson ; Otago Central, \$100,000; and \$50,000 was set apart for the Waipara-Blen- heim, and the greater part of this £50,000 was being spent at the southern end. There was another thing to be considered : how many men could be employed on the various works advantageously. They might have large sums of money voted, but it must be used to the best advantage. It was the duty of the Government, with the money at their disposal, to carry on the works in an economical manner. It was this latter course the Government were following. Now, take the Midland Railway : On the Can- terbury side they had a section about six miles in length, a work which the honourable gentle- man had some knowledge of. And when he knew-perhaps he did know-that nearly the whole of the men employed on the Midland Rail- way were employed on this very section, he must admit that that work, at any rate, was fully manned, and he thought it would be unwise to place any more men there unless there was scope for them to be advantageously employed. Then, as regarded the North Island Main Trunk line, the large majority of the members of the House approved of a greater number of men being employed upon that work, because it was recognised this work should, as far as practicable, be completed within a reasonable time. There was one section fifteen miles long at the northern end which consisted of fairly easy formation. At the same time, it was inadvisable to have works extending over too great a length, as the cost of cartage for the materials required added considerably to the cost of the work. Then, take the Otago Central, the same remarks applied there. They had

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bridges, and they were therefore limited as to the number of men that could be placed on the work, and it would not be economy to place more men there than could be advantageously em- ployed. On the Waipara - Blenheim line they were making very good progress with the work. Taking the three lines the honourable gentle- man had indicated for contrast with the North Island Main Trunk line, honourable members would agree with him (Mr. Hall-Jones) that they were all receiving a very fair share of consideration, and men had been placed there with judgment, having regard to the work to be done and the amount allocated for those works. # GISBORNE ANCHORAGE. Mr. COLLINS (Christchurch City) asked the Minister of Marine, If he is aware that on the 20th May last the "Tokomaru " struck bottom when anchoring in Poverty Bay off Gisborne, and that on the 27th July the "Tomoana " struck bottom when anchoring in the same place ? Also, if any inquiry was held regarding these two cases; and have any steps been taken to acquaint the seafaring community with the danger attendant upon anchoring in the locality referred to ; and, if not, why not ? There was, perhaps, now less necessity for asking this ques- tion than a few days ago ; but at the same time he would like to receive some assurance from the Minister

of Marine that steps had been taken to protect the seafaring community from the dangers attendant upon anchoring in the roadstead referred to. Mr. HALL-JONES (Minister of Marine) said the matters referred to were the "Tokomaru" and the "Tomoana." With regard to the "Tokomaru," there was an inquiry into that matter. It was reported to the department as merely a vibration of the ship - simply a trembling motion felt on board-and when soundings were taken the depth of water was found to be 7 fathoms, with a muddy bottom. As regarded the case of the "Tomoana," an inquiry was held by the Collector, as the circumstances were more serious, and it was evident there was some unknown danger in the roadstead at Gisborne. Steps were at once taken to locate that danger, so that further trouble might be avoided. The master of the vessel was informed that a Magisterial inquiry would be held if he so desired, but nothing further could be adduced. The "Tutanckai" was sent to determine the position of the rocks. This was done, and the exact position was noted in the Gazette. # UNOFFICIAL PASSENGERS ON GOVERNMENT STEAMERS. Mr. (i. W. RUSSELL (Riccarton) asked the Minister of Marine, What are the terms upon which passengers not on official business are carried on a Government steamer, so far as paying for food and other creature comforts are concerned ? Mr. HALL-JONES (Minister of Marine) said the inquiry was as to the terms upon which passengers not on official business were carried. Mr. Hall-Jones what was meant by "creature comforts." If it was what were commonly called refreshments, then they were paid for on board at the ordinary rates, no matter who had them. With regard to the charge for passengers carried on Government steamers, such officers and wives were charged at the rate of 7s. 6d. a day, and children under fourteen at half-price. Members of Parliament came under this condition. Other persons were charged at the rates charged on coastal steamers, with the exception of the West Coast Sounds or the Kermadecs, or the Auckland or Bounty Islands ; where there was no regular service they were charged at the rate of 10s. a day. Those were the official charges for those desiring to travel. He might say that these more than covered the cost of board, the cost of board being not much over 2s. a day for each person travelling. # MAKOHINE VIADUCT. Mr. FIELD (Otaki) asked the Minister for Public Works, How many men are at present employed on the Makohine Viaduct, and whether he can now give information as to the approximate date of its completion ? This question had already been asked more than once this session, and it might seem rather persistent to ask it again. But he had been requested by certain people in the city and district to repeat the question, and so he asked the Hon. the Minister, if he did not mind, to make another definite statement on the subject. Mr. HALL - JONES (Minister for Public Works) said he had already intimated to the House on two occasions that he hoped to have the train running over the Makohine Viaduct during the course of the coming summer, and he saw no reason to doubt that that statement would prove correct. As to the number of men employed on the Makohine Viaduct- there were others employed on the Mangaweka Viaduct -- the number employed on the Makohine viaduct on Monday last was ninety-six. # LUNATIC ASYLUM EMPLOYÉS. Mr. HOGG (Masterton), for Mr. Morrison (Caversham), asked the Government, If they will take steps during this session, by legislation or otherwise, to put a stop to the long hours at present worked by the employés in our lunatic asylums ? He had been requested to put this question, and to explain that the attendants at lunatic asylums appeared to be by no means satisfied with the treatment accorded to them, both with reference to wages and hours of labour. They represented that they had no opportunity of forming a trades-union, and that they could not take advantage of the Industrial Conciliation and Arbitration Act, and so regulate their hours and the conditions of their employment. They comprised about three hundred of the public servants, and they contended that their duties were very irksome, monotonous, and mentally laborious. From a schedule that had been submitted he found that their hours of duty varied from twelve to fifteen per day, and that

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months of the year. They stated that by an increased expenditure of £13,580, in providing considerable

additions to the staffs, the time on duty might be reduced to eight hours per day : and they suggested that five Superintendents who are now in receipt of about \$6,000 a year might have their services dispensed with, and Boards of Control might be instituted in their place. In the opinion of some of the attendants the Boards of Control would be a very good substitute. Mr. HALL - JONES (Minister for Public Works) said that the last remark-that there were five Superintendents, costing \$6,000-was entirely new to him. The salaries of the Super- intendents of the large asylums did not exceed \$600, and that would not make up the amount mentioned. Mr. HOGG might explain that he had made a slight mistake : the representation was that about \$6,000 a year was spent in the salaries and upkeep of five Superintendents. Mr. HALL-JONES said he supposed that also included the Inspector-General. He had replied a short time ago to a question put by the honour- able member for Wellington City (Mr. Fisher) on this subject, but he must confess the honour- able member who had put the question had not been so candid as the honourable member for Wellington City, for he had stated that the atten- dants had few holidays during eleven months of the year. Well, the honourable member must know that the twelfth month, which he had not taken into account, was the holiday month, and there were not many officials in the public "service, or employés in private service, who got a full month of holidays in the year. Then, in addition to this, the attendants had a day every fortnight, and they had certain Sundays, and also several evenings each week from six o'clock, or very shortly after, until ten o'clock. So far as holidays were concerned, he thought they were about as liberally treated as any one in the employ of the State. As to salaries, he was inclined to think there were some cases where an adjustment might be made. How- ever, female attendants received \$40 and rising to \$50, with board, lodging, and washing : male attendants received \$70 increasing to \$80, and as most of them were artizans and had a know- ledge of some trade, perhaps that was too little, especially for those who were married. With regard to the hours, they were not so long as had been stated by the honourable member. The hours in summer were from six in the morning till six in the evening, and there, of course, were intervals for meals, and every alter- nate day he believed they put in an hour or two longer. It was all a question of pounds, shillings, and pence - of providing an extra number of attendants and the additional ac- commodation for them, so as to enable an eight- hours day to be adopted. At any rate, he did consider that the hours at present worked were too long, and that they should be altered. He believed it would give far greater satisfaction to the attendants if the hours were lessened instead of the salary being increased. This partment.

KAIKOURA FISH INDUSTRY. Mr. MEREDITH (Ashley) asked the Minis- ter of Marine, Whether, in the event of the steam-trawler " Doto," or any other trawler, being employed by the Government to ascer- tain the haunts of fish off the coast, he will arrange that the coast from the Amuri Bluff to the mouth of the Clarence River be tested, and thereby assist the development of the fish in- dustry at Kaikoura? Several of his constitu- ents in the Kaikoura district were interested in the fish industry. A fish-curing industry had been established there for the last fifteen or twenty years, and he had been desired to bring under the notice of the Minister of Marine the fact that when the trawler "Doto " was upon the coast examining the haunts of fish, that part of the district somehow or other seemed to have been overlooked. He asked the Minister, in the event of this trawler being again em- ployed, or any other vessel of a similar nature being called into this service, he would be good enough to see to it, that from Amuri Bluff to the mouth of the Clarence River should be tested. The distance was about forty miles, and such testing was likely to prove beneficial to those engaged in this industry at Kaikoura. He hoped the Hon. the Minister would, in reply, state that he was willing to make pro- vision to have this done. Mr. HALL-JONES (Minister of Marine) said that when the trawling operations were com- menced, the Inspector of Fisheries had recom- mended certain places on the coast which he considered should be tested first, as there was some evidence that the fishing-grounds in the neighbourhood were good ; and in accordance with his recommendation these parts of the coast-line had been tested, and, taken all round, the results had been fairly satisfactory. The Government had at that

time no information as to the fishing-ground off Kaikoura, until the matter had been brought under his notice by the honourable member. If circumstances had admitted of extending the charter of the " Doto " a few months ago it would have been done, but he was advised that, with the bad weather coming on, and the master being unfortunately taken ill, it would be inadvisable to extend the charter. In the event of any further operations the ground alluded to would be tested. Mr. MEREDITH asked if there was any likelihood of any further tests being made. Mr. HALL-JONES said he could not say till the estimates were brought down; it was a matter for Cabinet to decide. A large sum had been spent in this direction within the last two years. If it could be done by either of their own steamers he was prepared to have the ground tested. AUCKLAND PUBLIC OFFICES. Mr. NAPIER (Auckland City) asked the Minister for Public Works, If he will this session place a sum on the estimates for the erection of suitable public service offices in Auckland-

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mental offices in Auckland were scattered about the city; some were in very inconvenient places, and a great waste of time was caused thereby, and a great amount of inconvenience to the public. Among the offices to which he referred were the Public Trust, the Public Works, the Valuation Department, the Stamp Office, the Advances to Settlers, the Registrar of Electors, the Old-age Pensions, and the proposed Tourist and Trade Office. Some of these were paying rent to private individuals for very insufficient accommodation. It would be good business to erect a suitable building and concentrate all the public offices in one building contiguous to the Customhouse. The public would derive great advantage from such a course, and public and private business would be expedited. He would ask the Minister, in the erection of any building, when : that the railway would be taken through making provision for the Tourist and Trade Office, to bear in mind the desirability of including a Hall of Commerce and Industries, in which the country's industries and products might be exhibited. Auckland was the entrepôt of the tourist traffic, and travellers from all parts of the world visiting the Rotorua wonder-land passed through Auckland, and it would be a very desirable thing to have such a hall in which travellers might see and form some idea of the products and resources of the colony. He knew that this matter had engaged the attention of the Minister for some time past ; and he hoped that any little difficulty in regard to the site might be overcome, and that, if necessary, the site would be taken compulsorily under the Public Works Act. Mr. HALL-JONES (Minister for Public Works) said, No doubt considerable inconvenience arose from the position as stated by the honourable gentleman, and he hoped to remedy it by sooner or later making additions to the present Customhouse building. The matter had been delayed owing to the exorbitant price asked by the owner of the adjoining land ; but, owing to what he had seen during a recent visit to Auckland, he had given instructions for the land to be taken under the Public Works Act. Which departments were to be accommodated in that building had not been decided on, but he was of opinion that the Tourist Department should be located in a main central spot. Mr. NAPIER might mention that there was an excellent allotment adjoining the Auckland Railway-station, which the Minister could lease from the Harbour Board, on which he would be pleased to see a hall of commerce erected. RAILWAY TO HANMER PLAINS. Mr. MEREDITH asked the Government, Whether, in the event of the Government acquiring sixteen thousand acres of the Lyndon Estate, now under negotiation, and before the said block is subdivided for settlement, they will have a report made by a competent engineer on the practicability of extending the railway from Culverden to Hanmer Plains via the Lyndon Pass, and, if the report is favourable, make reservations for a railway-line? He was Mr. Napier acquired sixteen thousand acres. Such being the case, he thought the Minister should consider the advisability of continuing the railway line as indicated in the question. From Culverden to Hanmer Plains was twenty - four miles, and, taking the annually increasing number of tourists who went there into consideration, it showed the day was not far distant when the extension of the railway must come within the region of practical politics. In the

meantime, what was asked for was to have a report by a competent engineer, so that when the land was being surveyed for subdivision a reserve for a railway might be made. The block he referred to as acquired contained six-teen thousand acres, and the Government had already acquired some six thousand acres, making a total of twenty-two thousand, so country occupied by Crown tenants. Mr. HALL - JONES (Minister for Public Works) agreed that, when land was acquired by the State, it was wise to reserve land for a railway through it, otherwise it might lead to large sums being claimed for compensation in years to come. He would like it to be distinctly understood that in reserving such land for a railway it was not to be taken as an indication that it was proposed to make a railway ; it was only in case it was proposed in future years, to enable that to be done at the least cost. SUBSIDY TO PUBLIC LIBRARIES. Mr. E. G. ALLEN (Waikouaiti) 5.0. asked the Government, Whether they will give a subsidy of £1 for £1, up to \$50, on subscriptions taken up in country townships for the purpose of erecting buildings for public libraries ? Mr. HALL - JONES (Minister for Public Works) said this pointed to a very important question : as to whether they were going to subsidise library buildings, in addition to the subsidy for the purchase of books, and other expenses. He was afraid that he could not hold out much hope of this. However, he would promise that when the Government were bringing down the supplementary or Public Works estimates the whole matter would be carefully considered, and the honourable gentleman would be able, when seeing these estimates, to form an idea as to the intention of the Government. But he did not give an all-round promise that such a proposal would be given effect to. NATIVE LAND ADMINISTRATION ACT. Mr. HERRIES (Bay of Plenty) asked the Native Minister, When the Native Land Administration Act, passed last session, will come into force, and what is the reason of its being hung up so long? Last session the Native Land Administration Act was passed, and at that time great hopes were entertained of its being the means of solving all the difficulties in connection with Native lands; but those hopes, he regretted to say, had not up to the present time been realised. Since putting the

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intention to amend the Act, so that the question perhaps had lost some of its force ; but he trusted the Minister could tell them for what reason this Act had been hung up for so long, and for what reason the eulogistic remarks had been made in the Governor's Speech referring to the question. Those remarks were as follows : - " I am pleased to inform you that the constitution of the Councils and Boards under the Maori Councils Act and the Maori Lands Administration Act has been proceeded with, and, with the exception of one part, the colony has been subdivided into districts. The outlook is very promising, and there is reasonable expectation of waste lands owned by those of the Native race being thrown open ere long for settlement." He would ask the Minister whether the reason for the Act being hung up was because one part of the colony had not been cut up into districts, as mentioned in His Excellency's Speech, and why that part had not been cut up; and why, though one part had not been gazetted, the rest of the colony, when the districts had been gazetted and the elective members had been elected, was debarred from the benefits of the Act ? Mr. CARROLL (Native Minister) said the honourable gentleman evidently, from the nature of his remarks, was aware of the causes of delay. The time lost was not so great after all, considering that the Act was only passed last year, and there was a very large amount of intricate and novel kind of work to get through in order to make the Act successfully operative. The colony had been divided into several districts, in most of which there had been no trouble in the way of electing representative Natives as members of the respective Councils as required by the Act. There was still much, however, for the Government to do in order to make those appointments and the constitution of the Councils complete. The Government had to elect their nominees before the Councils could be properly set up. This they were not able to do all at once, owing to the difficulty of getting specially suitable men. The honourable gentleman was aware that the success of the Act would depend largely on the persons appointed to administer it. Their selection, therefore, required time and very careful consideration in

order to secure the best results. The honourable member would see that that in itself offered a very fair reason for the delay. The chief delay, however, which prevented the earlier coming into operation of the Act was the fact that a dispute had arisen in regard to one of the districts proposed to be set apart. There were several tribal interests involved in the particular issue, and the representatives of the various tribes interested claimed different district boundaries. One division of the people wanted all the lands in dispute included in one district, and the other held out for separate districts. The matter was submitted to the Government for settlement. The Government ordered a plebiscite to be taken, Government to the various Native villages and kaingas of the tribes interested in the proposed boundaries, to ascertain those who were in favour of one and those who were in favour of two districts. He was glad to announce that this had been done, and the result went to show that the proposition that there should be two districts instead of one had been carried. Now that that phase of the question was settled, the elections would be ordered to take place as early as possible. And, when the Natives had elected their members, he could assure the honourable gentleman that the Government would be ready to make their appointments, and if the House this session would pass the amending Bill he had given notice of, he could well hold out hopes of the Act coming into operation at an early period. He might say, in one or two words, that the purpose of the amending Act was to afford easier facilities for the better working of the Act. One or two provisions were inserted in the Act of last session which did not improve the prospects of its successful administration, as they would have wished, and it was necessary to have those provisions modified, and in some instances dispensed with. But the general principle of the Act would not be departed from in any way ; and he had every reason to believe that immediately the Act, with the proposed amendments, came into operation in the various districts of the colony, they might look forward to very important results. He knew that in some districts there were several large blocks of Native land, the owners of which were very anxious they should be dealt with under this Act. In one instance he could name, there was a block of 80,000 acres of very valuable land in the Wanganui district ; the Native owners were all prepared to have it dealt with, and, in fact, they asked him the same question as the honourable gentleman had put on the Order Paper-namely, "When is this Act coming into force? We want our property dealt with, cut up, and let to settlers, so that we might get some revenue therefrom." In other parts of the colony he had had the same question put to him, showing that there was a strong tendency on the part of the Native race to turn to the Government, and, with the aid of the legislation passed last year, adopt the policy of putting their lands on the market as soon as possible, in order that settlement might be brought about, and an improved condition of affairs assured to them. He felt certain that, when the Bill he had given notice of was being dealt with, he would have the co-operation of the honourable gentleman and of other members, with the view to perfecting what they had passed last year. Mr. HERRIES asked, if the Hon. the Minister would inform him if there was any reason, where Native members were elected, why the Act should not be at once put into force, by the appointment of the Government nominees ? Mr. CARROLL said the Government intended to make the appointments as soon as possible. As he had said before, the difficulty

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their views, for carrying out this Act. The first thing they had to do was to utilise the best of their own officers. Mr. HERRIES said the Government had had a year to look for them. Mr. CARROLL said this was a very large and important question, and the Government did not want to miss fire at the start ; and in order to get the best men one might be pardoned for a little delay. They had some very good men connected with the Native Land Courts as Judges and officials, and it would be necessary to gradually bring about their transition from the old regime into that of the new. He could say, generally, to the honourable gentleman, that whoever they appointed to these Councils, they had made up their minds to make the appointments as soon as possible, and they would be the very best men they could find inside

their own official lines, and outside if necessary. MANAIA MAGISTRATE'S COURT. Mr. McGUIRE (Hawera) asked the Minister of Justice, - (1) Whether he will cause fortnightly sittings of the Stipendiary Magistrate's Court to be held at Manaia : (2) if he is aware of the dilapidated state of the building that does duty for a Courthouse at Manaia, and will he have a sufficient sum placed on the estimates for the erection of a new Courthouse ; (3) if he cannot see his way at present to have a new Courthouse erected, will he have a suitable room provided for witnesses, and the present Courthouse renovated and furnished ? hoped the Hon. the Minister would give him a favourable answer to this question. The matter had been brought up by the Stipendiary Magistrate himself, and he understood that, in the interests of the settlers, sittings of the Court should be held at least every fortnight. reference to the dilapidated state of the buildings, he hoped the Minister would place a sum on the estimates for a new Courthouse, or, if the Minister could not do this, he hoped the Courthouse would be renovated ; and that a room be provided for witnesses. It was unpleasant for a Magistrate to have to turn witnesses out of Court, which they were compelled to do at times, in all weathers. He might also point out that the furniture was not in keeping with the dignity of a Court of Justice. Now that the subject-matter was brought under the notice of the Hon. the Minister of Justice he was satisfied it would have prompt attention. Mr. McGOWAN (Minister of Justice) said, In regard to the first point, inquiries would be made in order to see if the amount of business warranted an increase in the number of sittings. In regard to the second point, he was not aware that this condition of things existed, and he would have inquiries made at once and a report made upon the state of the Courthouse. In regard to the third point it would be necessary also to make some inquiry, and whether or not the suggestion could be carried out would depend on the result of such inquiry. Mr. Carroll Mr. FISHER (Wellington City) asked the Minister of Justice, Whether he has noticed the following statements contained in the annual report of the Commissioner of Police just presented to Parliament : That "the telephone is largely resorted to by the betting-men in carrying on their illegal calling"; that "many of the so-called private billiard-rooms are little else than gambling places" ; also, that "although ' The Municipal Corporations Act, 1900,' section 404, gives the local authorities power to pass by-laws for the regulation of these billiard-rooms, nothing has yet, so far as I am aware, been done in that direction ; consequently, these places are still under no restrictions whatever as to closing, &c., with the result that many young men, much to their detriment, are inveigled into these rooms, and kept there until the small hours of the morning, associating with Spielers and other undesirable habitués, who subsist on following race-meetings during the daytime and frequenting billiard-rooms at night " ? This question, as it appeared on the Order Paper, was not in the form in which he drafted it. He thanked the editor of the Order Paper for his amendments, but they had taken the whole point out of the question. As it appeared on the Order Paper, the question put the Commissioner as saying that "the telephone is largely resorted to by the betting-men in carrying on their illegal calling." That signified nothing. This was the point : Mr. Commissioner Tunbridge, in his annual report, dated the 7th May, 1901. said, " I now find the telephone is largely resorted to by the betting-men in carrying on their illegal calling." I " now " find. That is the point. It was four years since Mr. Commissioner Tunbridge was imported into New Zealand. He was imported at the time of the Queen's jubilee celebrations, in June, 1897. consequently it had taken him four years to discover that "the telephone was used by betting-men in carrying on their illegal calling." Now, long before Mr. Tunbridge was imported into this country he (Mr. Fisher) did all his betting on the telephone. He did his betting in an open and above-board way-if he chose to bet he betted, and if he did not, he did not. He did not care who it pleased or displeased. For the last seven years he had sent his #1 along on the telephone to the special commission agent he was accustomed to send it to, just as he sent his El to Adams, "Tattersalls," at Hobart, whenever he felt that way inclined. Well, it had taken Mr. Tunbridge four years to find out that the telephone was "now " used for betting purposes. Then the Commissioner went on to say that "many of the so - called private billiard-rooms are little else than gambling-places." How did

the Commissioner know ? The Commissioner might have been so informed by the A.D.C. who followed him round in his evening street perambulations, because the A.D.C. had been known to make special inquiries upon this head ; but no such thing was known to any other person in this city. And the Commis

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cipal Corporations Act, 1900,' section 404, gives the local authorities power to pass by-laws for the regulation of these billiard-rooms, nothing has yet, so far as I am aware, been done." Now, he would give the Minister of Justice some particulars with which perhaps he had not been supplied by the Commissioner of Police. There were three private billiard- rooms in Wellington-one in Willis street, one in the high building opposite the Corporation Chambers, and one belonging to Mr. Patterson. It was really Mr. Patterson's room that Mr. Commissioner Tunbridge wanted to get at. Now, why did not Mr. Commissioner Tun- bridge institute his inquiries in a legitimate way? As a private speculation, Mr. Patterson had spent £800 in the purchase of land and the erection of a private billiard-room. There was no drink, no accessories of any kind attached to this private billiard-room. Mr. Patterson was enabled, by reason of his small expenses, to allow persons to play billiards at half the usual hotel or billiard-room price, and that returned Mr. Patterson a very fair interest on his outlay. He paid the Corporation altogether £24 a year as rates, and was a respectable citizen. Although Mr. Commissioner Tunbridge and his A.D.C., to whom he had made allusion the other day in speaking of the Police administration, said gambling was carried on in Mr. Patterson's pri- vate billiard-room, he (Mr. Fisher) and others were in a position to give that statement a distinct and deliberate denial. He went further than that : he would make this offer to the honourable gentleman and to Mr. Commissioner Tunbridge : So little was Mr. Patterson afraid of Mr. Com- missioner Tunbridge that he would hand over to him the key of his private billiard-room, and allow him to take sole charge, provided he did not make use of the key to shut up the room. Mr. Commissioner Tunbridge could then see whether any gambling took place. Then, following upon the report of the Commissioner of Police, the A.D.C. had taken to writing letters to the Evening Post, and if the Minister of Justice would read the Evening Post of the 6th August, on page 2, he would find a letter signed " Sufferer," written by the A.D.C., calling attention to this particular billiard- room, and the way the young pigeons were fleeced there. Mr. PIRANI rose to a point of order. Was the honourable member not prolix in his expla- nation of the question ? Mr. DEPUTY-SPEAKER said the question was a long one, and he did not wish to stop the honourable member, but he was watching what he was saying. Mr. FISHER said it was impossible to do justice to the subject in a few words. Mr. Patterson, as he had said, was willing to give up his key, and all he asked was that Mr. Com- missioner Tunbridge should not close up the premises. There was no justification for the paragraph in the Commissioner's report. The municipal authorities were quite competent to attend to the affairs of the city, and the matter should be left to them and not to the police. I those who were known to be addicted to gam- VOL. CXVII .- 34. in future the Commissioner of Police confined himself to his legitimate duties. Mr. McGOWAN (Minister of Justice) said the explanation of the honourable gentleman's question had no connection with the question itself. The honourable member had simply taken another opportunity of reflecting on what he considered the improper statement of a public officer, and in doing so he had made some statements that were not in accordance with fact. The Commissioner of Police, in his report, said, -- "I now find the telephone is largely resorted to by the betting-men in carrying on their illegal calling; and many of the so-called pri- vate billiard-rooms are little else than gambling- places. Although ' The Municipal Corporations Act, 1900,' section 404, gives the local authori- ties power to pass by-laws for the regulation of these billiard-rooms, nothing has yet, so far as I am aware, been done in that direction ; conse- quently these places are still under no restric- tions whatever as to closing, &c., with the result that many young men, much to their detriment, are inveigled into these rooms, and kept there until the small hours of the morning, associating with spiellers and other undesirable habitués, who subsist on following race-meetings during the daytime

and frequenting billiard-rooms at night." That was the statement on which the honourable gentleman had framed his question, and in explanation of the question the honourable member had referred to a Mr. Patterson. No Mr. Patterson was mentioned in the report, which report was general in its application. Then, with reference to billiard-rooms, the honourable gentleman asked how did Mr. Commissioner Tunbridge know of the matter. Well, he (Mr. McGowan) knew of it. The parents of boys had come to him on this very subject. As was known, the local bodies had power to deal with the matter, but it was also known that the local bodies had not cared to exercise their powers. As to the proper hours of closing these billiard-rooms, he might say that, of his own knowledge, he knew they were the resort of people who were known to gamble. He was prepared to verify every word he was stating. Mr. Commissioner Tunbridge was entirely justified in referring to this matter as he did in his report ; and, for the benefit of the public, it would be well for Parliament itself to make some law in reference to these billiard-rooms, because, as he had said, the local bodies would not avail themselves of their powers. The local bodies, as members would understand, had a close connection with the owners of these billiard-tables, as ratepayers, and that was perhaps the reason why they were unwilling to make laws that might press hard on them. At any rate, the fact remained that they passed no by-law to regulate the keeping of these tables under proper control. As a consequence, young men were often found in these rooms at late hours, associating with

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for drawing attention to the matter, and was to be commended for referring to the subject in his report.

TERRACE GAOL, WELLINGTON. Mr. FISHER (Wellington City) asked the Minister of Justice, Whether the Government will this session place on the estimates a sum sufficient to provide increased accommodation at the Terrace Gaol, Wellington? Was the Minister aware that increased accommodation was required at the gaol in Wellington? Re-ports had been made to the effect that the state of the Terrace Gaol was a disgrace to the city, that the association of the prisoners, three, four, and five in one cell, was detrimental to the discipline of the gaol, and that there were even worse reasons to be taken into consideration. Mr. McGOWAN (Minister of Justice) said it was his intention to allow the House to have the opportunity of saying whether improvements should be made at the Terrace Gaol, and a sum would be placed on the estimates for the purpose. It was a fact, as the honourable gentleman stated, that the gaol was overcrowded. That was brought about by the failure to carry out the proposal to utilise the Mount Cook Gaol. At any rate, it was necessary that considerable alterations and improvements should be made in the Terrace Gaol, and the matter would come before the House later on, when the Public Works estimates were brought down.

CROWN LANDS FOR SETTLEMENT. Mr. McGUIRE (Hawera) asked the Minister of Lands, (1) Whether he will, as expeditiously as possible, throw open the Crown lands for settlement in the Provincial Districts of Auckland, Taranaki, and Wellington ; and (2) will the Minister see that the roading of Crown lands open for selection keeps pace with settlement? Mr. DUNCAN (Minister of Lands) might say that all the Crown lands in the Provincial Districts of Auckland, Taranaki, and Wellington that were at present ready for settlement were now open for application. To throw open all the Crown lands for indiscriminate settlement, whether they were surveyed, or explored, known or unknown, would not be conducive to profitable occupation. As regarded the second part, it would no doubt be a most desirable thing if roads could be made before the lands were sold. The lands would be rendered more valuable thereby, and settlement would be greatly assisted. The matter had been, and still was, under consideration, but it was mainly a question of money, and if Parliament would vote the necessary funds it was possible to do what was required. In the meantime the construction of roads to Crown and other lands had been placed under a separate department, with a view to the more vigorous prosecution of such works, and every effort would be made to execute such works promptly.

Mr. McGowan Mr. HORNSBY (Wairarapa) asked the Minister for Agriculture, If he will, seeing that as the

present misleading cable-messages are published as to prices of frozen meat on the Home market, cause the Agent-General to be instructed to cable to this colony the actual prices, and to distinguish in the cable-message between "North Island " mutton and " Wellington." Mr. DUNCAN (Minister for Agriculture) said the Agent-General had already been instructed to cable the Home prices of frozen meat each week. The cables had been coming to hand since the 10th June, and had been duly supplied to the Press. The question of quoting for " North Island " and " Wellington " mutton separately will be looked into.

LAND FOR SETTLEMENTS BILL. A message was received from the 7.30. Legislative Council intimating that the Council did not insist on certain of its amendments in this Bill. # RABBIT NUISANCE BILL. IN COMMITTEE. Clause 2 .- " Section nine of the principal Act is hereby repealed, and in lieu thereof it is enacted as follows :- "If within a reasonable time after the service of such notice any occupier or owner on whom the same is served has, in the opinion of the Magistrate adjudicating, failed or neglected to take reasonable or diligent steps to promote the destruction of rabbits on the land mentioned in such notice, he shall be liable to a penalty not exceeding five pounds if the area of the land is less than five hundred acres, ten pounds if such area exceeds five hundred acres but is less than two thousand acres, and twenty pounds if the area exceeds two thousand acres.' " Mr. DUNCAN (Minister for Agriculture) moved, That progress be reported. Motion negatived. On the motion of Mr. HOGG (Masterton), the clause was amended by striking out the first two lines. Clause as amended agreed to. Mr. DUNCAN (Minister for Agriculture) moved, That the Chairman leave the Chair. The Committee divided. AYES, 14. Russell, W. R. Duncan Massey McGowan Graham Stevens. McGuire Hall-Jones Tellers. Haselden Mills Meredith Heke Rhodes Tanner. NOES, 35. Hardy Allen, E. G. Collins Eil Arnold Hogg Field Hornsby Atkinson Flatman Lang Barclay Laurenson Bennet Fowlds Gilfedder Bollard Lawry Hall Buddo Mackenzie, T. Hanan Napier Carncross

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Pirani Tellers. Symes Russell, G. W. Thompson. R. Fraser, W. Thomson, J. W. McNab. Smith, G. J. PAIRS. For. Against. Carroll Millar Colvin. McKenzie, R. Majority against, 21. Motion negatived. Clause 3 .- " Section ten of the principal Act is hereby amended as follows : By substituting the words 'adjudicating Magistrate' in lieu of the word ' Inspector.' " Mr. HOGG (Masterton) moved the excision of this clause. Clause struck out. Mr. HOGG (Masterton) moved the insertion of the following new clause in substitution therefor, namely :- "3. After the expiration of one month from the date of a conviction under the last preceding section, if, in the opinion of the adjudicating Magistrate, rabbits still exist on the land mentioned in such notice, the owner upon whom the notice referred to in the last preceding section was served shall be liable to a further penalty not exceeding twenty pounds and not less than five pounds, and so on for each succeeding period of one month during which, in the opinion of the Magistrate, rabbits exist on such land." The Committee divided on the question, "That the new clause be read a second time." AYES, 33. Allen, E. G. Hall Napier Arnold Parata Hanan Hardy Russell, G. W. Barclay Hogg Bennet Steward Bollard Hornsby Tanner Buddo Lang Thompson, R. Laurenson Thomson, J. W. Carncross Collins Lawry Willis. Eil Massey Tellers. Mackenzie, T. Gilfedder Field Fowlds McNab Smith, G. J. Fraser, W. NOES, 19. Pirani Atkinson Lethbridge Rhodes Duncan McGowan Russell, W. R. Fraser, A. L. D. McGuire Meredith Graham Hall-Jones Tellers. Mills Haselden Monk Stevens Palmer Heke Symes. Majority for, 14. New clause read a second time. Mr. DUNCAN (Minister for Agriculture) moved the excision of the words " rabbits still exist," with a view to substituting the following in lieu therefor : "the occupier or owner has failed or neglected to take reasonable or diligent steps to promote the destruction of rabbits." Amendment agreed to. insertion, before the word "owner, " of the words " said occupier or." Amendment agreed to. Mr. FRASER (Wakatipu) moved the excision of the word "twenty," with a view to substituting in lieu therefor the words " one hundred." Amendment agreed to, and clause as amended agreed to. Mr. HOGG (Masterton) moved the addition of the following new clause and Schedule :- "4. The

provisions of this Act are in substitution of the enactments mentioned in the Schedule hereto, which enactments are hereby accordingly repealed." " Schedule. "1882, No. 66: 'The Rabbit Nuisance Act, 1882.' In part-namely, sections 9 and 10. " 1886, No. 46 : 'The Rabbit Nuisance Act 1882 Amendment Act, 1886.' In part - namely, section 6. "1890, No. 17 : ' The Rabbit Nuisance Act, 1890.' In part - namely, subsection (1) of section 15." New clause and Schedule added. Bill reported. LOCAL BODIES' GOLDFIELDS PUBLIC WORKS AND LOAN BILL. Mr. PALMER (Ohinemuri) .- I feel, Sir, that this Bill should go to the Public Accounts Committee, and, therefore, I move the second reading pro forma in order to have it sent to that Committee. Mr. DEPUTY - SPEAKER .- I have been looking into this Bill, and unless the honourable gentleman has a message from His Excellency the Governor stating that the Bill will be allowed to proceed, it will be my duty to rule that it is a Loan Bill, and is virtually a Bill giving power of taxation, which cannot be introduced without the recommendation of the Crown. Mr. PALMER. - I may say, Sir, that I applied to Sir Maurice O'Rorke for his ruling on the point. After I had been there for the first time, I was of opinion that Sir Maurice told me that the Bill could go on. It is for that reason that I want it referred to the Public Accounts Committee. If I cannot bring it on, the Government will, I understand, take it up. I was quite willing at that time not to go further with the Bill without a message from His Excellency the Governor, but Sir Maurice having told me that it could go on, I proceeded with it, and want it sent to the Public Accounts Committee. Mr. DEPUTY-SPEAKER .-- I am afraid I cannot take any cognisance of any private ruling the honourable gentleman may have received ; and I am not aware whether the honourable gentleman presented the whole Bill to Mr. Speaker. Mr. PALMER. -- Yes, I did. Mr. DEPUTY-SPEAKER .- I must say that having given a ruling I must adhere to it. I went into the matter very carefully before I came to that conclusion. I would suggest, in

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opportunity to consider the matter, and allow time to obtain a Governor's message or the consent of the Crown, that the honourable gentleman ask to postpone it. Mr. PALMER .- I am quite willing, Sir, and will ask leave to postpone it until this day three weeks. Leave granted, and order postponed. # EIGHT HOURS BILL. The House divided on the question, "That the House do resolve itself into Committee on this Bill." AYES, 20. Millar Allen, E. G. Fowlds Arnold Hall Napier Hall-Jones Barclay Pirani Hogg Smith, G. J. Buddo Collins Tellers. Laurenson McGowan Russell, G. W. Colvin Mackenzie, T. Tanner. ELL NOES, 32. Palmer Hardy Atkinson Haselden Bennet Parata Bollard Heke Rhodes Hornsby Russell, W. R. Carncross Carroll Lang Stevens Lethbridge Steward Duncan Field Symes Massey McNab Thomson, J. W. Fraser, W. Gilfedder Mills Tellers. Meredith Graham Monk Thompson, R. Hanan O'Meara Majority against, 12. Motion negatived. # SHOPS AND SHOP-ASSISTANTS BILL. IN COMMITTEE. Clause 4 .- " Section eight of ' The Shops and Shop-assistants Act. 1894,' is hereby amended by the insertion of the words 'and all domestic servants,' between the words ' bars ' and ' with- in,' in line three." The Committee resumed the consideration of clause 4 of this Bill, and the amendment of Mr. Barclay (Dunedin City) to strike out the words " in line three," with a view to substituting the following therefor : " in the said section." Amendment withdrawn. Mr. BARCLAY (Dunedin City) moved that clauses 4 and 5 be struck out. Motion agreed to. Clause 6 .- Act to be read together with prior Acts. Clause struck out on the voices. Bill reported. The House adjourned at a quarter-past twelve o'clock a.m. Mr. Deputy . Speaker Thursday, 22nd August, 1901. Samson and Sons and Blackwood Brothers-Re- turned Troopers and Public Health-Shops and Offices Bill-Adjournment. The Hon. the SPEAKER took the chair at half-past two o'clock. PRAYERS. # SAMSON AND SONS AND BLACKWOOD BROTHERS. The Hon. Mr. BOLT moved, That the report of the Public Petitions Committee on the petition of Samson and Sons and Blackwood Brothers, of Dunedin, be referred back to the Committee for further consideration. His reason for moving this motion was that he did not think the Public Petitions Committee had given due consideration to the equities of this case. The circumstances connected with it were very simple. In the

year 1894 an Act was passed which provided that local authorities could undertake the slaughtering of cattle and the establishment of abattoirs. These petitioners for some years before that, and up till, he thought, 1897 or 1898, were carrying on the business of slaughtering in Dunedin ; and the Corporation of the City of Dunedin were about the first to take advantage of the Act by entering upon the business of slaughtering. The Corporation did so, he thought, in 1897, and the result of their entering upon this undertaking, so far as the petitioners were concerned, was that they had to give up their business. The Corporation of the City of Dunedin passed certain by-laws connected with the carrying-on of the Corporation abattoirs, and these by-laws were of such a character that, although they were not prohibitive, yet they really had the effect of so prohibiting competition with the Corporation that the petitioners could not carry on. In the year 1900 the power of the Corporation was still further increased by an Act passed that session, and by the 58th clause of that Act it was provided that any one who was injured or wronged through the operation of Corporation abattoirs should be compensated. It was unfortunate for these petitioners that they had been ousted from their position about a year or eighteen months before the Act of 1900 came into force. Had it not been for that circumstance they would have come in for compensation, as others had. Clearly, in all equity, they should get whatever compensation was allowed in similar cases, because it was manifest that if it was right to pass an Act in 1900 giving compensation to people of this class, it was equally right these petitioners who had suffered similar wrong should be similarly compensated. For these reasons, he begged to move that the petition be referred back to the Committee with a view to their giving further consideration to this view of the case. The Hon. Mr. A. LEE SMITH said his honourable friend opposite had set out the cir-

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not think it required very much more elucidation from him. Living as he did in the district, and knowing full well the circumstances of the case, he might be allowed to make a few remarks in the direction of what the honourable gentleman had just said. His honourable friend had alluded to the Act of 1894. Well, that Act gave power to the local Corporations to build abattoirs, and Dunedin was the very first place in the colony to take advantage of that Act. The late Mr. Fish very persistently brought forward the question in Dunedin, and as a result of his efforts, after some degree of delay, the City Council took the matter in hand, and the taking of a ballot for the erection of the abattoirs was proceeded with. Well, following upon that Act, the Corporation of Dunedin, as the honourable gentleman had said, in passing its by-laws practically put an end to the business of these petitioners. It was impossible for them to carry on at all, because the meat had all to be inspected by the Abattoirs Inspector, and there were, generally speaking, so many difficulties thrown in the way that it was perfectly impossible for them to do any business. Consequently, they had to close up their works, and kill at the Corporation abattoirs. The whole position, then, was this: There was no great movement at that time in the direction of making the killing of stock at the abattoirs compulsory, but it was seen by the experience of Dunedin-and the fact that no person would buy meat unless it was killed at the abattoirs- it was seen by the people of the colony generally and by the Government that it would be a good thing to make the system compulsory, and therefore that eventually was done. His view of it-and he hoped honourable gentlemen would take the same view-was that, these people having been the pioneers in abattoirs, and the two petitioners being the chief sufferers, it was simply a matter of equity that those who had so suffered through the instalment of a system which was afterwards found to be a benefit to all should be placed in the same position as those who subsequently came under the operation of the Act when the Government made the compulsory Act to apply all over the colony. Under the Act of 1900 the petitioners would have been entitled to compensation. Supposing a similar voluntary system were brought to bear on the butchers' shops, and some borough in the colony were to adopt that system and pass a by-law-empowered to do so by the Government, as in the case of the original Slaughtering Bill-a very stringent by-law that . the butchers

should be under rigid inspection, and that all who did not conform to that should have their shops closed. He assumed that that case would be regarded by the Council as parallel to the present one. Then, if, Dunedin or any other borough having done this, it was found from experience to be an enormous safeguard and advantage to the people, and supposing the Government were to take up the question and make it compulsory all over the colony, applicable to all butchers' shops, and grant compensation to those who garded as entitled to be compensated just in the same way as those whose premises had been closed under the compulsory Act. That was the principle, and that might apply exactly to a great many other grievances when things were done for the general benefit, and hardship inflicted upon individuals. He considered that these people had a very great claim upon the colony. An Hon. MEMBER .- NO. The Hon. Mr. A. LEE SMITH said, in his opinion, they had such a claim. Dunedin had led the way, and then Nelson and Invercargill followed. He thought there were only two or three slaughtermen in Nelson, and two or three in Invercargill, and the whole amount of compensation that would be required for the three places would not, he thought, be more than about £1,500. He was very sorry the Committee had not given this matter the consideration it deserved, and did not view it in an equitable light. The claim was one for which they could find any number of parallels, and was, he thought, one that should recommend itself to the Government and to the Council as very worthy of consideration. He would not say anything more, as the honourable gentleman and he had explained the full circumstances of the case. The Hon. Mr. SHRIMSKI said he had happened to be a member of this Committee, and remarked that it seemed very strange to him that his colleague the Hon. Mr. Bolt should move in this direction. The matter had come before the Committee, and had been fairly considered, as the report proved. The Secretary of the Stock Committee had been before the Committee, and had given his evidence very fairly, carefully, and distinctly, favouring neither the Government on the one side nor the petitioners on the other. The petition had been reported upon to the effect that it was not within the province of the Council or of the Government to pay compensation to those whose business had been stopped prior to the coming into force of the Act providing for compensation. If there was any compensation to be paid in these cases it must be paid by the City Corporation of Dunedin, and not by the State. An Hon. MEMBER .- The other compensation is paid by the State. The Hon. Mr. SHRIMSKI said that was after the coming into force of the Act ; but these places had been closed before the Act had come into force. They had been forced to close their premises because of the act of the Municipality of Dunedin, and the places had been closed for three or four years before the general Act came into force. Then, some years after their businesses had been closed these people brought forward claims for compensation. An Hon. MEMBER .- They had petitioned for two or three years. The Hon. Mr. SHRIMSKI said it did not matter if they had petitioned for fifty years ; they had petitioned in respect of what had happened before the Act came into force, and the only conclusion he could come to was that

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Moreover, it had been carried by the Committee that they had no recommendation to make, and that decision had been come to with the assistance of the Minister in charge of the business of the Council. If he was challenged in this matter he should speak very plainly. It was, in his opinion, wrong that a Petitions Committee should be formed consisting of too many members from one place, for then they had the power of carrying practically anything they liked. He acquitted of all blame the honourable gentleman who was the leader of the Council, for he had not been responsible for this ; but he must say that the Petitions Committee ought to consist of members from all parts of the colony, and that there should not be too many upon it from any one place. The Hon. Mr. W. C. WALKER said the honourable gentleman who had last spoken had put him in rather a peculiar position by stating that he agreed with him for once. He accepted the compliment, and felt quite certain that this extraordinary coincidence of opinion proved the correctness of the views of both. He did not, however, object to this petition being

again considered by the Committee if the Council thought that was desirable. He had voted on what he considered the merits of the case, and had not considered that these petitioners had any claim against the colony. The position, so far as he understood it, was something like this : The municipal authorities of Dunedin, for very good reasons, a year or two before the Legislature had moved in the matter, determined to establish municipal abattoirs ; and - not without meeting with a great deal of difficulty, probably owing to private interests interfering with the intention of the Corporation-they had got that Bill passed. The Corporation had succeeded in establishing abattoirs, which they believed to be for the good of the community. They had to stand the racket of any legal opposition ; and if it had been thought necessary that any individual should be compensated the Act would have stated it. When the Legislature was asked to pass a general Act the position was slightly different, as it was felt that in certain cases, such as Dunedin, there was no necessity to make any special privilege for any one, the common-sense of the Dunedin community having enabled them to establish abattoirs. But when the Act was passed relating generally to the subject it was felt that there were places in the colony where it was necessary to extinguish private rights in the manner indicated in the clause relating to compensation. But if compensation were necessary in this case the municipal authorities who reaped the benefit should pay it. They had taken the question into consideration, and weighed the pros and cons, and knew exactly what private interests ought to be compensated, and he gave them credit for sufficient generosity to think that they would have had a clause inserted if they thought compensation necessary. He did not think there could be any claim on the colony in the matter, but at the same time Hon. Mr. Shrimski the Committee had come to a hasty conclusion, to the petition being referred back to them. The Hon. Mr. T. KELLY said, if he could see that any injustice had been done by any Committee to any petitioner on any occasion through not inquiring into the merits of a case he would be quite willing to refer the matter back to that Committee. But it appeared, from what he could gather, in this case the petitioners had carried on the business of a butchery in Dunedin, and through the regulations passed by the Corporation they had been compelled to close their business. The Committee said,- " With reference to the petition of Samson and Sons and Blackwood Brothers, of Dunedin, slaughtermen, praying that their case may be brought within the provisions of section 58 of 'The Slaughtering and Inspection Act, 1900,' your Committee have the honour to report that they have carefully considered the said petition, and have taken the evidence of the Chief Inspector of Stock thereon, and they have no recommendation to make." This seemed a very plain statement and, so far as he could see, it was unobjectionable. The grievance which was complained of arose some years before the Slaughtering Act of 1900 came into operation. In fact, under "The Abattoirs and Slaughterhouses Act, 1894," there appeared to be provision made for compensation, but of a very limited character. If honourable gentlemen referred to the Act they would see that it was only in certain cases that compensation was given. In clause 58 there was provision made for compensation when a slaughtering- place has been closed under the Act. The leases under which the person occupies premises may be determined, and half the value of the buildings owned by him for carrying on his business shall be paid for, the value being determined by arbitration. It appeared to him the only way to do in this case was for the friends of the persons concerned to bring in a Bill, and let it come before both Houses. What was the good of referring the matter back to the Committee ? They could do nothing, as legislation in some form would be required in order that compensation could be obtained. The Hon. Mr. JENKINSON said he would be sorry to let it go forth that due consideration of this matter was not given by the Petitions Committee. The Committee had given full consideration to the matter, as it always did. and a certain amount of evidence was taken : but the facts were so simple that it did not take long to grasp the facts of the matter. The facts were very much as had been stated by the honourable gentleman-that these persons had no legal claim for compensation, but had in equity. They prayed that the Council would legislate in such a way as would bring their case under the same consideration as was shown by the

1900 Act. This meant that new legislation would have to be passed. For a Committee to take up the matter and suggest new legislation would be a big thing for them to go

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sat down said, the question was one for a private member or the Government to take up. The most the Petitions Committee could do was perhaps to refer the question to the Government for consideration. They could not have gone further, as it was a question not only affecting Dunedin, but other parts of the colony ; and if the Committee brought in a report that the matter should be referred to the Government the effect, perhaps, would not be very different. He thought several other honourable gentlemen had said that in consequence of the 1894 Act being passed these petitioners had to close their business. He did not think that was the case. It was in consequence of the stringent by-law made in Dunedin that they closed up, and one question which the Committee considered was who was to pay the compensation. The petitioners evidently thought the Government would take the matter up and pay the compensation. The feeling of the Committee was that it was a question for the local Municipality, because it was in consequence of the stringent by-law they made that these petitioners had to close their slaughterhouses up. But he was quite agreeable that more consideration should be given to the facts, and he would suggest to the honourable gentleman that he should amend his motion so that this petition might be referred to the Joint Stock Committee instead of to the Public Petitions Committee. He understood that a petition somewhat similar to this one had been presented to the other Chamber and referred to the Joint Stock Committee. That Committee had dealt with the principal Act of 1894, and the amending Act which followed, when those Bills were before the Legislature, and he thought, if it was necessary now to find out the true merits of the case, and see whether these petitioners were entitled to compensation, it was the Joint Stock Committee it should go to. Hence he suggested to the honourable gentleman the advisability of amending his motion so as to have the petition referred to this Committee. The Hon. Mr. SCOTLAND had always considered that the referring-back of a petition to a Committee which had already dealt with it, for further consideration, was a very foolish thing, unless it could be shown that the Committee had either not had time to consider the petition fully or else that there was not sufficient evidence available at the time, which might be forthcoming at some future time to guide it to a safe conclusion. What would be the result now if they referred back this petition ? Was the Committee to go over the same evidence again-to go over the old ground? Were the witnesses all to be recalled to repeat what they had said before? He really saw no sense in it at all. He would certainly vote against the motion. The Hon. Mr. PINKERTON hoped this motion would be carried, although he sympathized with what had fallen from the Hon. Mr. Jenkinson. The petition ought to go to the Joint Stock Committee perhaps. However, the merits of the petition had been gone into seemed to take the form that the grievance complained of was the result of competition. Now, it was not a question of competition at all. It was a question of Samson and Sons and Blackwood Brothers having been compelled to shut up by Act of Parliament. It did not say so in so many words, but that was what it was. The Government afterwards saw that injustice was being done to several other persons in being compelled to shut up by Act of Parliament for the existing private slaughtering-yards in Dunedin were successfully closed by Act of Parliament. Since that the Government had recognised a duty to compensate persons who were compelled to close by Act of Parliament-and these petitioners were as effectively compelled to close by Act of Parliament as were the persons who were compelled to close up by the Act of last year. All that they asked for was to be placed in the same position as those were in who were compelled to close up by the Act of last year. As he said, the Government recognised their responsibility to certain persons who had been compelled to close up their establishments through the passing of the Act of last year ; and these petitioners said that they stand in the same position as those persons who had been thus compelled to close up, although in the case of the petitioners they actually closed before the Act of last year was passed. Reference had

been made to the evidence which was given by the head of the Stock Department. In answer to a question put by himself (Mr. Pinkerton) that officer said he recognised that the petitioners had no legal claim, but had a claim in equity. They all recognised that, because if they had had a legal claim they had no right to be there. But they had a claim in equity. That was all they wanted ; and he therefore thought that claim in equity ought to be satisfied. True, there was an idea it was by competition they were compelled to close up. It was not by competition. It was simply because the Act of 1894 gave the Municipal Council of Dunedin the power to make certain regulations which they had not the power to make before that Act was passed. Therefore the petitioners had no power to place their meat on the Dunedin market, and as a consequence they felt compelled to close up. Let them take a supposititious case to illustrate the force of this petition. Say two newspapers established themselves in Wellington, and that the Government said the people of Wellington should not read one of them, and should read the other. Would the persons owning the first newspaper not be entitled to some compensation against the Government ? He thought they would. The Government had a right to consider them. Now, the Act they passed last year said this, in effect : " We are going to close certain abattoirs, and we recognise in doing that we shall have to give compensation to the owners of those places that we close." Now, the slaughtering-yards of these petitioners were quite as effectually closed as those premises that were closed through the Act that was passed last year, and all they

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with on terms of equity. The head of the Stock Department had acknowledged they had no claim in law, but one in equity ; and therefore, as the head of the Stock Department had admitted they had a claim in equity, that was all they asked for now-that they should be met in a spirit of equity. He considered this petition should be again referred either to the Petitions Committee or to the Stock Committee for fuller consideration. It was hastily dealt with, and on somewhat imperfect information. He would support the motion of the Hon. Mr. Bolt, and would also like to have the petition referred to the Stock Committee. He thought, however, it should go first to the Public Petitions Committee and then to the Stock Committee. The Hon. Mr. JONES said, if the persons prejudiced by the Act of 1900 were entitled to compensation so also were these people who were prejudiced by an Act previously passed that placed certain powers in the hands of the local bodies. But those who passed that Act which gave the local bodies such powers should have thought of it at the time the Act was passed, and should have made the necessary provision. However, it was never too late to mend, and if any injustice had been done it was their duty to rectify that injustice. He did not, however, see what good was going to result from referring this report back to the Petitions Committee. What would the Petitions Committee do? As the Hon. Mr. Scotland had asked, were they to go through all the evidence again-the self-same evidence that was taken before ? If they were, then they would come to the same conclusion, presumably. An Hon. MEMBER .- NO. The Hon. Mr. JONES said, Well, if the personnel of the Committee was the same, and the same persons attended as had attended on the occasion that the decision was come to, that was likely to be the result. He therefore thought it would be far wiser to adopt the suggestion made by the Hon. Mr. Jenkinson, and that they should not send this report back to the Petitions Committee with the idea that that Committee should send it on to the Stock Committee, but that they should send it direct to the Stock Committee, and let that Committee deal with the subject. The Stock Committee had more knowledge of the matter, he imagined, than the Petitions Committee, and they, having had all the legislation dealing with the subject before them, would probably be able to deal with the petition in a more enlightened manner. He therefore moved, That the motion be amended so as to read, That the petition be referred to the Stock Committee for consideration and report. The Hon. Mr. BOLT said he had no objection to the amendment which had been proposed, and probably the adoption of it would be the best course to take ; but he would like to make a few remarks upon what had been said in the Council. In the first place, it had been asked, Why

should not the City of Dunedin pay the compensation ? To his mind, that was Hon. Mr. Pinkerton liament had already provided . by enactment that not the Municipalities but the State should pay compensation in these cases. The case under review by the Council was exactly on all-fours, with the exception of time, with the cases where the State was to pay the compensation as provided by the Act. The Parliament of 1894 passed an Act which em- powered the City of Dunedin to do what an Act of Parliament passed in 1900 recognised might result in injustice being done, and the Parlia- ment then, very properly, made provision for compensation being given in such cases. It was to give the petitioners the advantage of this later legislation that they were now contending. Surely there was nothing improper, nothing wrong, in that .. They recognised at once that the petitioners had no legal status in the Council ; but, as the Hon. Mr. Pinkerton had pointed out, if they had had a legal status they would not have required to petition-they would have gone to the Courts. It was only because it was a question of equity that they had brought it before the Council, and he thought that fact should be sufficient to empower the Petitions or the Stock Committee to give the question some further consideration. It had been asked. What could the Petitions Committee do ? Well, they could do something more in a question of equity than simply say they had no report to make. Surely they could say whether there was a question of equity at stake or not, but they had not even done that. They had passed no opinion whatever upon the merits of the case, and that was what he principally took excep- tion to. He thought that, whatever Commit- tee the matter was referred to, that Committee should express an opinion upon the merits of the petition. He accepted the amendment of the Hon. Mr. Jones. The Hon. Mr. A. LEE SMITH wished to say a few words. These people had been sacrificed in the public interest, first of all, by the Bill of 1894 ; and, as the Hon. Mr. Bolt had said, the Government after that had recognised that there might be throughout the country a great many people sacrificed, and therefore had made provision against it in the 1900 Act. And what was remarkable was that in one of the Dunedin cases the slaughterhouse had been burned down. and the insurance company, possibly taking ad- vantage of the fact that this slaughterhouse property was no good to the owner, did not pay the insurance, but reinstated the buildings after the Act had passed that rendered them useless. and the owner had been put to great expense to alter them so that they might be used as stables, which stables he did not require. They knew the man could get no compensation. and yet they had reinstated the buildings as a slaughterhouse, as they had previously been. That was certainly an additional hardship. With the leave of the Council the question was put as amended, " That the petitions of Samson and Sons and Blackwood Brothers, Dunedin, be referred to the Stock Committee for further consideration." Motion agreed to.

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The Hon. Mr. FELDWICK moved, That, with a view to the prevention of the dissemination of malarial fever and measles about the colony through the medium of returned South African troopers and their clothing, it is necessary that precautionary measures be taken. That a Select Committee, to be designated " the Public Health Committee," be appointed, with power to call for persons and papers, and to report within one month ; the Committee also to have power to sit and confer with any similar Committee ap- pointed by the House of Representatives. The Committee to consist of the following members : the Hon. Mr. W. C. Walker, C.M.G., the Hon. Mr. Williams, the Hon. Mr. T. Kelly, the Hon. Mr. Pinkerton, the Hon. Colonel Pitt, the Hon. Mr. Twomey, and the mover. He had had this motion on the Order Paper for some days, and in putting it there had had no desire to create any- thing in the nature of a scare. There was no need for that, but the hard fact remained that measles, at any rate, had visited this colony, undoubtedly through the medium of the returned troopers. In his opinion, the returned troopers should not have been allowed from under military control so quickly as they had been. He had every sympathy with the kindness on the part of the authorities that had permitted these men to rush to the bosoms of their families, to their mothers, wives, sisters, and sweethearts, as quickly as possible. But he

thought that that kindness was the cause of the neglect of due precautions. Honourable gentlemen would notice that in the motion he had mentioned malarial fever as being probably introduced. For that he had indirect but very good authority. The opinion of a very prominent medical man was that enteric fever, as it was called-which was really typhoid combined with dysentery-lurked in these men, and would break out and spread among the population of New Zealand in a mild form of plague as soon as the summer came round ; and, at any rate, there was no doubt about measles being propagated in this way. He had the authority of a member of the House of Representatives for stating that the public State school at Stratford has been closed in consequence of an outbreak of measles. The attendance fell off from five hundred to 180. Many returned contingenters from South Africa were located there, and had been feted by the inhabitants on their return. As regarded the measles, to say the least of it, it was a very inconvenient thing to have it spreading through a family, and it was very undesirable that it should spread in a school. As to the amount of mischief it might do, honourable gentlemen would have seen a cablegram in the previous day's paper to the effect that there were 91,940 white and 24,547 coloured people in refugee camps in South Africa. During July the deaths among the whites numbered 1,412, and This most of these were due to measles. justified him in saying that due care ought to be taken. Whether he had been too strong in the motion-whether he had used \ to prevent or allay measles, which was now the resolution so that a debate might take place on the subject. He did not know that there was so much danger from the men themselves, but he did think the State might have seen that the men's clothing was taken and fumigated and washed, or-which would perhaps have been preferable-destroyed, and new clothing served out. He felt certain that what he had said, and what other members might say, would receive due consideration from the Minister of Public Health whether the resolution was adopted or not. In regard to the name of the Hon. Mr. Williams, he had placed that on the Committee on account of his well-known interest in the Maori race. If an epidemic of measles broke out among the Natives they knew its ravages were very serious, and they knew what it had done at one time in New Zealand, and at other times in Samoa and in Fiji. This he considered to be a matter of very great gravity. The Hon. Mr. PINKERTON seconded the He was convinced his honourable motion. friend wished to do no injustice to the returned troopers, but only to protect them from spreading illness amongst the people. It would be satisfactory to the wives, sisters, and sweet-hearts of troopers to know that they returned amongst them free from illness. This was the view the honourable gentleman took, and he hoped it would be the view held generally by the Council. The Hon. Mr. W. C. WALKER hoped the honourable gentleman would be satisfied with having ventilated the question. It was true there was a serious amount of risk in the matters he had mentioned ; but, now that he had drawn attention to it, the Health Department would take the matter into consideration, and take every reasonable step that could be devised to minimise the evils of allowing persons to travel through the colony with unfumigated clothing or bedding. He would ask the honourable gentleman to be content with having moved the motion, and to withdraw it. The Hon. Mr. JONES hoped the honourable gentleman would not be satisfied with having ventilated the matter, because he thought more than ventilation was necessary. Under the circumstances, an expression of opinion from the Council was desirable. This was one of those things at which people were rather too much inclined to scoff ; but it was really a very serious thing indeed when measles made its appearance amongst children and assumed a malignant type. The Hon. the Minister had told them that, the matter having been ventilated, the Health Department would take care to see that the evil did not spread. But why did not the Health Department take the matter up before? He had read somewhere-he thought it was in one of the papers-an expression of opinion that the department had been exceedingly supine over the matter, and that they ought to have given directions as to what treatment should be adopted in order

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with having ventilated the subject ? It would do no harm, so far as he could see, to pass the motion, and it

would emphasize the feeling of the Council that something ought to have been done by the department in the first instance. He thought it did these departments no harm to bring them up to the mark occasionally. The Hon. Mr. SCOTLAND could not agree with the Hon. Mr. Jones that it could do no harm to pass the motion. Only a few months ago they had been frightened almost out of their propriety by rumours of the plague, and a good many had, in plain English, lost their heads over it. A great deal was said about the unfortunate rats having introduced the disease in Australia, but he believed they had done nothing of the kind. However, thousands of rats were destroyed in New Zealand, but as to whether that kept the plague away from the colony he had his doubts. He maintained that if circumstances had unfortunately been favourable to its coming to the colony it would have come to the colony. This motion was of such an alarmist character that he really thought the Hon. Mr. Feldwick in bringing it forward should have given them some statistical data showing that it was necessary to set up a Committee of this kind. He could see no necessity for anything of the sort, and he was certain it would not be a wise thing to do so. If this motion were passed by the Council they might depend upon it any amount of nervous people would be sure to take fright and to think we were on the eve of a visitation of malarial fever, and enteric fever, too, perhaps. As for the measles causing havoc amongst the Maoris, he believed the Maoris were now just as strong as ourselves in body, and just as well able to withstand an epidemic attack as we were ourselves. They were not now like the North American Indians of old, living in a state of nature-poor creatures, who were cut off by tens of thousands when the small-pox got amongst them in the wild parts of the West. He did not think there was the slightest cause for apprehension of anything of the kind here, and, even if he thought there was, he would consider it a very injudicious thing for the Council to pass a motion of this kind. In coming to the Council that afternoon he walked through about twenty of these young men, who had just returned from the seat of war, and finer specimens of health he never saw. He made the same remark when he saw a much larger party of them land in Wellington a few weeks ago. He would not be afraid of their introducing any diseases of the kind referred to. He believed if the germs of disease had got amongst them those germs would have perished on the voyage, and long before they reached New Zealand. He hoped the honourable gentleman would not press the motion, because he really thought if there was one thing they should deprecate more than another it was talking on this subject in such a way as to frighten outsiders, and lead to what might be called a scare in the country. Hon. Mr. Jones it was advisable not to appoint a special Committee merely, but to set up a Royal Commission to deal with this matter, seeing that they were so much in the habit of setting up Royal Commissions. He considered it would be a very proper thing to do. . The Hon. Mr. BOLT said it did seem a strange and unnecessary thing that, having last year established a Public Health Department, and set up a full staff of officials to carry it on, they should now be setting up a special Committee to inquire into what, after all, was only a rumour. He really could not see that there was any necessity for this motion at all. If there was any necessity for it, or anything similar to it, he would be inclined to move an amendment - namely, That, after the word "clothing " the motion should read, " the Health Officer be requested to take the necessary precautionary measures." Surely it was not necessary to set up a special Committee of the Council, to be called a Public Health Committee and to join with a similar Committee of the other House, to inquire into what, after all, might be groundless rumour. He begged to move the amendment. The Hon. the SPEAKER understood, as far as he could see, that the honourable gentleman who had moved the motion was about to rise to say that he was willing to withdraw it. The Hon. Mr. FELDWICK desired to withdraw his motion, but not without using his right of reply. The Hon. Mr. Scotland had just now made the assertion that the returned troopers did not bring to New Zealand any disease with them. Now, on the authority of one of these troopers, he could assure the honourable gentleman he was wrong in that assumption. When a former party of these men were in Wellington one of them told him - and he was quite certain from the man's style that he was speaking what he knew to be correct -- that the troopship "

Britannic," which brought these men from South Africa, had just previously brought from England to the Cape drafts for the reinforcement of a particular regiment which was decimated with measles. It went with them to England. There were over seven hundred and fifty men aboard the boat. and a few days after leaving Capetown they had eighty-three cases of measles in the ship. Under these circumstances, it could be easily understood that the infection could be spread even by the clothing of the men who did not take the measles. Since they had come to this colony they had occupied berths in inter- colonial steamers ; they had been in railway trains, and their clothes had been in contact. he supposed, even with children, so that it was perfectly unnecessary for the honourable gentle- man to state the disease never showed itself on the voyage. This was simply preposterous. However, as he had said before, he had served his purpose-and, he believed, a good public purpose-and he desired now to withdraw his motion. He would have been quite willing to accept the Hon. Mr. Bolt's amendment but

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for them to formulate a motion to ask a sub- ordinate public officer to do something. He thought he had done a good thing in drawing attention to the matter by his motion. Having accomplished that end he now asked leave to withdraw it. Motion withdrawn. SHOPS AND OFFICES BILL. IN COMMITTEE. Clause 4 .- Special provision as to hours of employment. The Committee divided on the question, " That this be a clause of the Bill." AYES, 14. Arkwright Jenkinson Swanson Jones Barnicoat Tomoana Pinkerton Bolt Twomey Walker, W. C. Feldwick Rigg Smith, A. L. Gourley NOES, 9. Kelly, W. Harris Ormond Jennings Shrimski McLean Williams. Johnston Montgomery Majority for, 5. Clause agreed to. for accommodation Clause 5. - Sitting women. The Hon. Mr. JENNINGS moved, That progress be reported. The Committee divided. AYES, 10. McLean Gourley Pinkerton Shrimski Jennings Montgomery Ormond Williams. Johnston Kelly, W. NOES, 14. Swanson Arkwright Jenkinson Barnicoat Jones Tomoana Kelly, T. Bolt Twomey Feldwick Walker, W. C. Rigg Smith, A. L. Harris Majority against, 4. Motion negated, and clause agreed to. Clause 14 .- Excepted shops. The Hon. Mr. TWOMEY moved to omit the words "means a person of New Zealand or European extraction." The Committee divided on the question, " That the words be retained." AYES, 13. Smith, A. L. Arkwright Jones Kelly, T. Bolt Swanson Kelly, W. Feldwick Tomoana Walker, W. C. Harris Rigg Jenkinson NOES, 13. Montgomery Shrimski Barnicoat Gourley Ormond Taiaroa Pinkerton Jennings Twomey Johnston Scotland Williams McLean The CHAIRMAN gave his vote with the " Ayes. " Words retained. to," the Committee divided. AYES, 13. Arkwright Smith, A. L. Jenkinson Barnicoat Swanson Jones Bolt Kelly, T. Tomoana Feldwick Walker, W. C. Rigg Harris NOES, 13. Shrimski Gourley Montgomery Jennings Ormond Taiaroa Johnston Pinkerton Twomey Kelly, W. Scotland Williams. McLean The CHAIRMAN gave his vote with the " Ayes." Clause agreed to. Clause 17 .- Wages to be paid for half-holi- day. The Hon. Mr. BOLT moved to insert "and for the special purpose specified in section fifteen hereof." The Committee divided. AYES, 10. Arkwright Kelly, T. Swanson Barnicoat Tomoana Rigg Bolt Walker, W. C. Smith, A. L. Jones NOES, 15. Feldwick Johnston Scotland Gourley Kelly, W. Shrimski Harris McLean Taiaroa Jenkinson Ormond Twomey Jennings Williams. Pinkerton Majority against, 5. Amendment negated, and clause agreed to. Clause 18 .- Assistants in hotels, &c., to have half-holiday. The Hon. Mr. PINKERTON moved, That the word "hotel " be struck out. The Committee divided on the question, "That the word 'hotel' stand part of the clause." AYES, 15. Arkwright Swanson Jennings Barnicoat Tomoana Jones Kelly, T. Bolt Twomey Feldwick Walker, W. C. Reeves Jenkinson Rigg Williams. NOES, 4. Louisson Gourley Kelly, W. Pinkerton. Majority for, 11. Word " hotel" retained. The Hon. Mr. JENKINSON moved to add the following new clause :- "No female assistant shall be employed in any hotel bar after nine o'clock in the even- ing." The Hon. Mr. W. C. WALKER moved, That the Hon. Mr. Jones be reported to the Hon. the Speaker for not obeying the ruling of the Chairman when requested to withdraw certain words. Motion agreed to. Progress reported.

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adjourn, The Hon. Mr. REEVES said, - Sir, the Speaker being absent, I presume you are the Speaker, and that the question remitted from Committee ought to be referred to you. The ACTING - SPEAKER (Hon. Captain Baillie.)-The Hon. the Speaker being, unfortunately, absent at the present moment I shall report it to him to-morrow morning. The Council adjourned at twenty minutes past nine o'clock. # HOUSE OF REPRESENTATIVES. Thursday, 22nd August, 1901. First Readings-Notices of Motion-The late Constable L. McDonnell - Public .Accounts Com- mittee-Government Advances to Settlers Bill. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock p.m. PRAYERS. # FIRST READINGS. Westland and Nelson Goldfields Administra- tion Bill, Kiwitea County Council Offices Bill, Nelson Harbour Board Bill, Maori Lands Ad- ministration Bill, Stamp Bill, Coal-mines Bill. # NOTICES OF MOTION. A message was received from His Excellency the Governor, forwarding a draft of the Coal- mines Bill, and recommending the House to make provision accordingly. On the question, That the House go into Committee to consider His Excellency's mes- sage, Mr. FISHER (Wellington City) said he wished the honourable gentleman at the head of the Government would give an assurance that on some specified day the notices of motion on the Order Paper would have some chance of being disposed of. Day after day the honour- able gentleman told the House that he had not had time to look through the Order Paper. That was the uniform answer the Speaker re- ceived when he called for unopposed notices of motion. The Standing Orders provided that unopposed notices of motion should be dealt with day by day ; and, although he did not wish to cast reflections on any members of the House, or on any body of members, he thought it to be regretted that there was not a strong Opposi- tion to see that the Standing Orders were given effect to as they should be given effect to. An Hon. MEMBER said there were no Standing Orders. Mr. FISHER said that was virtually the position - that the House had no Standing Orders ; but, being a Government supporter, it was hardly his function to call attention to the fact. However, if the Opposition members would not supply the fulcrum the members of the Government would have to do it them- selves. ply with the Standing Orders, he would simply say that the Government objected to all the notices of motion. That would give the Govern- ment time to consider them. Until he had re- plies from the departments he could not tell what motions would be opposed, but he did not want to block any of them in any way. Mr. FISHER said the financial debate would begin on the following day, and, that being so, what chance had members of getting their motions before the House ? Mr. SEDDON did not think there were any on the Order Paper that were urgently wanted. Hon. MEMBERS. - Yes. Mr. SEDDON did not know what they were. At any rate, he would comply with the Standing Orders by saying that all the motions were opposed. Mr. BARCLAY (Dunedin City) was astonished to hear that the Government opposed all the motions on the Order Paper, because the first was in the name of the Hon. Mr. Duncan, and the second and the third in the name of the Right Hon. the Premier. It was certainly most remarkable to hear that the Government were opposing the whole of the returns. Captain RUSSELL (Hawke's Bay) said the member for Wellington City (Mr. Fisher) blamed the Opposition because they were a fulcrum, and could not move the Government in the matter of allowing notices of motion to come on for discussion. He ventured to sav they had been a lever, but that the most solid fulcrum they could find was about fifty-five jellyfish who backed the Government. Mr. FISHER said he could give the honour- able gentleman an undertaking that they would mend their ways. Motion agreed to. Resolution agreed to, and Bill read a first time. THE LATE CONSTABLE L. McDONNELL. Mr. MEREDITH (Ashley) .- I beg to bring up the report of the Public Petitions Commit- tee on the petition of Elizabeth McDonnell, to the effect that, taking into consideration the very exceptional circumstances in connection with the death of the late Constable Luke Mc- Donnell, the Committee recommends the Go- vernment to grant the petitioner a compassion- ate allowance equal to three years' salary ; and I beg to move, That the report do lie on the table and be referred to the Government. Mr. FOWLDS (Auckland City) .- The report of this Committee deals with a very sad and peculiar case. The constable in question un- doubtedly contracted his illness whilst doing his

duty at the wreck of the "Wairarapa." This caused prolonged suffering, and finally terminated in his death, and his widow is now left in rather unfortunate circumstances. I am aware that the Police Department have appointed her to the position of Matron in the police office in Auckland, which will help her somewhat. She has been left with five girls - mostly young. The constable himself was quite

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Government will give favourable consideration to the report of the Committee. Mr. MONK (Waitemata) .- I should like to add a few words to what has been said by the last speaker. Knowing the circumstances of the case, I regard this as an instance that should specially appeal to the Government. We all feel proud of brave actions performed by young New-Zealanders upon the battle-field ; but we are very apt to pass over instances of bravery and self-denial when performed at our own doors by unobtrusive public servants such as policemen. But I think the actions and conduct of the late Constable Luke McDonnell in the special instance of the wreck of the "Wairarapa," where a large number of bodies were strewn along the beach by that unhappy and calamitous accident, deserve special recognition. Those bodies were carefully gathered by him under circumstances that must have been specially revolting, which duty resulted in this officer's illness and death. I think it is only fair that some provision should be made for his widow and orphan children. This officer's illness was no doubt the result of the blood-poisoning he received in the performance of his duties. The handling of those bodies imposed on him years of wasting disease and suffering; but he died with a sense of having done his duty, commending his soul to God, and his wife and children to the care of the country. I think we should feel proud when we find that we have amongst our public servants men who are prepared to sacrifice themselves at the call of duty. Mr. LAWRY (Parnell) .- I heartily indorse every word which has been so well expressed by my honourable friend the member for Waitemata. I would like to urge upon the Government the necessity of acting promptly in this case. I might state that I have received several letters in reference to this case from influential men in Auckland, and I trust that the Government will do prompt justice in this case. Mr. BOLLARD (Eden). - I merely rise to indorse what has been said by honourable members with regard to this constable's case. I knew Constable McDonnell well for many years. I have conversed with him many times on the question of how he contracted the disease which caused his death, and I am well acquainted with all the circumstances in connection with his case. I do appeal to the Government on this occasion, taking all the circumstances into consideration, to give a substantial compassionate allowance to his widow, as recommended by the Select Committee. Mr. McGOWAN (Minister of Justice) .- The Government recognises its responsibility in the case of any officer who loses his life in carrying out his duty. The presumed blood-poisoning took place in 1894, and I am not going to discuss the question as to whether it arose owing to the constable's very praiseworthy action, nor am I going to discuss the question as to whether it was the cause of his death. The unfortunate man died, and his widow was left comparatively unprovided-for. The Government has already appointed McDonnell as a prison matron, and I think that the salary she receives for that particular office is doing her as good service as a sum of money would. In addition to this, she has also been allowed to retain the house. Every one is anxious to do what is right, and I would not like statements to go broadcast that the Government had not been doing their duty in the matter. All through his illness Constable McDonnell had received his salary up to the time of his death, and immediately an opportunity was afforded of giving the widow a position that would provide an income for her family, that was done. The salary was really better than a lump sum. I only mention this so that the House may know the actual facts of the case. It will therefore be seen that the Government had not been neglectful in the matter, as the widow was receiving about £2 per week and a free house. Mr. MEREDITH (Ashley) .- It is not intended to cast any reflection whatever on the administration of the honourable gentleman the Minister of Justice. I believe he has done all he could under the circumstances. It is quite true he has provided the widow with a situation in the Police Depot, Auckland, at £2 a week ;

but I would remind the honourable gentleman that she is rendering good service for the remuneration. When the Committee, of which I am Chairman, went into this question they had departmental and other evidence before them. I entirely concur in all that the five Auckland members who have just spoken said on the subject. The case is one of the most meritorious cases that ever came under the consideration of the Committee I have the honour to preside over. It was proved to the satisfaction of the Committee that Constable McDonnell in the discharge of his duty contracted the disease which culminated in his death, so that practically he sacrificed himself in the discharge of his duty. This being so, I sincerely hope the recommendation of the Committee will be given effect to, and substantial compensation be given to this lady for the loss she has sustained by the death of her husband, who was only forty-six years of age at the time of his death. Mr. MASSEY (Franklin) .- As an Auckland member, I have had great pleasure in listening to the expressions of sympathy from the members who have just spoken. The case referred to is a very sad one. Constable Luke McDonnell was a first-class officer-probably one of the best officers in the whole Police Force of the colony. He was a man who put duty before everything else. Those who knew him best, and all the circumstances of his death, have not the slightest doubt that his death was occasioned by illness contracted while in the execution of his duty. McDonnell has done his duty to the country, and it is now for the Government to do theirs by making some provision for the widow and family of the man who has passed away. Mr. NAPIER (Auckland City) .- I trust the Government will see their way to carry out the

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be no doubt the statements that have just been made are correct -- that is to say, that the death of Constable McDonnell was directly attributable to blood poisoning contracted in the execution of his duty. I remember the circumstances very well. At the time Constable McDonnell was one of the water-police. As Chairman of the Auckland Harbour Board, and in my professional avocations, I was often brought into contact with him. I knew him for nearly twenty years. He was one of the smartest officers in the Force. He was always at his post, and, no matter at what hour of the day or night, he was ready to do his duty. If any special service was required at any of the outlying islands or districts, Luke McDonnell was ever ready. When the steamer "Wairarapa" was wrecked it was found by Mr. Greenaway, who at the time of the wreck was temporarily residing on an island adjacent to the Barrier, that bodies of the drowned passengers were being washed ashore. There was no medical man on the islands, and Luke McDonnell went down with one or two settlers, and I think he was left there alone with Mr. Greenaway for a time, and they buried a large number of bodies as they were washed ashore, and assisted in the work of identification. The bodies were in an advanced stage of decomposition, and he had no gloves or anything of the kind to put on his hands. He was sent away from Auckland without any of the necessary things to prevent blood-poisoning, and the inevitable result followed. A professor, I think, of the Auckland University College, was the first to give him antiseptics, and with these he endeavoured to protect his hands. But the damage had already been done, and within a very short time he was laid up. He continued intermittently to do his duty, notwithstanding the fact that he was weak and ailing, and exhausted from many operations, until he finally had to succumb. If ever there was a case in which the Government ought to provide for the widow and family of a worthy servant of the State, this is one. The argument of the Hon. the Minister of Justice was most fallacious-that because Mrs. McDonnell had been appointed to a position in the Government service, in which, as pointed out by the honourable member for Ashley, she is giving an adequate return of service, the State is therefore to be exempted from doing its duty. I hope the Government will accept without any reservation the recommendation of the Committee, and as a mere act of justice grant the desired relief. Mr. SEDDON (Premier) .- I think the House will give to the Auckland members all praise for supporting this petition in the way they have done. There is generally unanimity amongst them on matters that affect that province. Hon. MEMBERS .- No, no. Mr. SEDDON .- At all

events, the Minister of Justice has fairly explained the position to the House, and the House must take the responsibility. Mr. Napier with what has been done. Mr. SEDDON .- You are asking the Government to go beyond what your own laws permit them to do. Your laws will not permit more than two years' salary to be given as compassionate allowance, whilst this recommendation was for three years'. The Government have any amount of cases before them in which only two years' salary has been granted as compassionate allowance in the case of officers who have devoted their life-service to the country. That is the position. Under the legislation affecting the Police Force, by a provision you made the session before last, you have not permitted anything like this being done. Consequently, you must consider that you are laying down a precedent ; and, whilst the sympathies of the Government are as keen as those of any member of this House -- and we admit that the constable in question performed his work in a most satisfactory and almost heroic manner in endeavouring as far as he could to obtain identification for the bereaved relatives of those who suffered in the wreck of the " Wairarapa "-it must be remembered that there were others who had been refused in the past, and who had claims equally as strong as Constable McDonnell, and the Government would be bound, once the precedent was laid down, to follow it. There was a constable in Dunedin who certainly risked his life and was wounded, and could never be again the man he was. I think he is dead now. Mr. T. MACKENZIE .- He is not dead ; but he cannot get anything to do. Mr. SEDDON .- Anyway, the rule was laid down and the Government had to adhere to it. In considering this matter we must bear in mind that we are laying down a precedent. I must say that, as stated by the Minister of Justice, to have given permanent employment -- with good behaviour it may be life employment -at a salary up to £100 a year and a free house". the State, as far as this woman and family are concerned, has put them in a better position than if the husband was alive. Consequently it cannot be said that the State has not dealt with this case in a fair and liberal manner. I only rose to point out to the House that, while sympathy may carry us away, we must not forget that what we do in one case we must do in any similar case that arises, and in a number of similar cases that have occurred in the past. Members may rest assured that the Government will do their best to do justice to all cases coming under their notice. Motion agreed to. PUBLIC ACCOUNTS COMMITTEE. I Mr. FISHER (Wellington City) brought up the report of the Public Accounts Committee on Paper No. 59, to the effect that in cases Nos. 1, 2, 3, and 5 the Committee saw no reason for proceeding further; and that in case 4 the action of the Controller and Auditor-General was unnecessary, as the moneys were properly paid into the Treasury. Mr. J. ALLEN (Bruce) .- Sir, with 3.30. regard to the first three clauses of this

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action is necessary, I wish to say a few words. The three clauses referred to deal with the services rendered by the "Tutanekai" in conveying Volunteers and visitors to the Commonwealth celebrations on the other side, and to the payment for stores and supplies for the trip. The Auditor-General has objected to the payment in respect to these services being charged direct to the Marine vote, without there being a refund from some other department or from " Unauthorised." The matter came before the Committee; and the whole difficulty arises out of the amendment which was made last year in the Public Revenues Act. Honourable members will recollect what the result of the amendment of that Act has been in respect to other matters-how under that Act the Parliament was enabled to pay members \$40 in addition to their proper statutory salary, a proceeding which would not have been possible but for the amendment of that Act. What has happened in respect to the £40 payment to members has happened in respect to the ordinary accounts of the colony. Payments have been made in connection with the ordinary accounts of the colony with respect to the Marine vote which could not have been made with the sanction of the Controller and Auditor-General, excepting for the alteration made in the Public Revenues Act by which the Governor in Council was allowed to come in and to interpret the law, or, rather, not to interpret the law, but to decide that certain votes might be made notwithstanding Parliament had passed no

direct vote on that account. These services include the sum of £600, in the first place, which was paid on account of the wages, and so on, and coal supplied for the "Tutanekai" to convey Volunteers and other visitors to Sydney; and they have been charged direct to the Marine vote. Mr. HALL-JONES .- Quite right, too. Mr. J. ALLEN .- "Quite right, too," says the Minister of Marine; and I am going to admit that it was right in the first place. But the Auditor-General sticks it up because there was no authority by Parliament for such service, and the Government refused to charge it to " Unauthorised." He has no objection to the Marine vote being charged with these accounts, as a service performed by the Marine Department for some other department which has to repay that service. That is where the difficulty has occurred. What has occurred before has been this: whenever the " Hine- moa " or the " Tutanekai" have rendered services for other departments, these services have been repaid by the department the service was rendered for, and the credit has been shown in the Marine Department vote. In this case that has not been done. The credit disappears from the accounts of the colony, and the Marine Department receives no credit for the work it has performed, while the Marine Department is to be charged with the supplies and provisions for the conveyance of these visitors to Sydney, \$156 17s. in the first instance, and a further sum of \$200, or something of that kind, in the Marine Department, and no other department is charged with them, and no credit is given to the Marine Department for having rendered this service to those departments. In this case the alteration in the Public Revenues Act of last session allows the Governor in Council to come in; and notwithstanding the objections of the Auditor-General that these sums should not be charged as desired against the Marine Department, they have been so charged. Now, Sir, excepting for the amendment of that Act, what has taken place under its authority would not have occurred, and the Marine Department would have received credit for these services rendered for some other department. Mr. SEDDON. - What department could you have charged them to ? Mr. J. ALLEN .- The honourable gentleman asks me what department. That is just the very point : there was no vote on the estimates for any department at all, and yet, in defiance of Parliament not having passed any vote for such services, the services were charged to the Marine Department. Now, there was a way of getting out of the difficulty, -but the honourable gentleman has not accepted the way suggested to him by the Auditor-General. There being no vote of Parliament for these services, and they being necessary, and in the opinion of the Treasurer or Minister should have been performed, there was a way of getting out of the difficulty. The honourable gentleman could have charged them to " Unauthorised expenditure," and to " Unauthorised expenditure" they ought to have been charged, and the Premier knows that perfectly well. What I object to in regard to this matter is this: that, now the accounts have been charged to the Marine Department, and not to some other department for whom the service was rendered, there has been a way provided for getting behind the votes of Parliament, and of charging accounts to other votes in regard to which Parliament has no knowledge ; and in this instance I do not know, and Parliament does not know, whether " champagne" is not included in the services rendered by the Marine Department-and I believe it is. With regard to the first three items that have been dealt with in this report, and which relate to services rendered by the "Tutanekai," in the way of provisions, wages, and coal, for the conveyance of Volunteers and other visitors to the Commonwealth celebrations at Sydney, the report says that no further action is necessary ; but in the fourth clause of the report we come to a different recommendation. I think that clause says that the Controller and Auditor-General has done wrong- or something to that effect-in objecting to what has taken place. Clause 4 deals with the matter of the repurchase by the Bank of New Zealand of the preferred shares. The Bank of New Zealand paid, as directed by law, to the Public Trustee, half a million of money for the repurchase of preferred shares. But the law is absolutely clear on this other point : that any accrued interest that was due at the time the repurchase was made should be paid

not a shadow of doubt about it to my mind. It was not so paid. I do not say but what afterwards the Public Trustee might have transferred it back again to the Consolidated Fund, although there is a doubt about that. I believe the law wants amending both with respect to this initial payment of interest and with respect to future payments that the Public Trustee receives from the investment of this half-million. At any rate, the law is clear that this sum of interest of \$5,657 ought to have been paid along with the capital sum to the Public Trustee; and the Controller and Auditor-General says so. There is a correspondence on the subject which is extremely interesting, because it discloses the real way to interpret the law ; and I propose to submit to the House the new way in which the law is being interpreted by the Solicitor-General. The law was so clear that the Solicitor-General could not get rid of it, and there was no shadow of doubt that this accrued interest ought to have been paid into the hands of the Public Trustee. But the Solicitor-General had to advise the Government by some means or another that the law was not as it was; and how does he do that? If honourable members have the report in their hands-it is B .- 19, "Public Revenues Act, 1900,"- and refer to the Solicitor-General's letter on page 12, they will find these words, which are of interest :- "The Banking Act is, in the language of the Interpretation Act, to receive such fair, large, and 'liberal construction as will best insure the attainment of the object of the Act according to its true intent, meaning, and spirit. Applying this rule, section 8 is, I think, to be read as if the words "to the extent of the total capital sum represented by all the securities issued under section 7 hereof " were inserted between "such shares shall " and " be paid to the Public Trustee." We now have a method of interpreting the law by reading into the statutes words that are not there, and never were there; and that is how the Solicitor-General advises the Crown in respect to this payment of interest. Now, Sir, I maintain that the Solicitor-General has no right to read these words into the statute ; that the statute is plain and distinct, to be understood not only by any lawyer but by laymen ; and that there was no shadow of doubt that the interest ought to have been paid over to the Public Trustee. I believe myself that the Premier will yet have to come down with an amendment of the law to provide that the future interest may be paid back again from the Public Trustee into the Consolidated Fund. With respect to the last item I have nothing particular to say, except that the Controller and Auditor-General has been proved to be absolutely correct, because we ourselves this year have passed an amending statute to put this right. It is dealing with the question of providing money for roading lands for settlement. The Controller and Auditor-General objected on the ground that the law did not allow any expenditure to be made, and that he was right has been proved by our having Mr. J. Allen right. Sir, I know it is no use to move that this report should be referred back again to the Public Accounts Committee, because, unfortunately, the Public Accounts Committee is of use only now for the purposes for which the Right Hon. the Premier and Colonial Treasurer desires it. It is of no use for searching into the accounts, for directly a member of the Public Accounts Committee puts a question which is dealing with a matter which the Colonial Treasurer does not want to have any inquiry about the mode of procedure is this : The Chairman is called upon to rule whether the question is in order. And he invariably rules. so far as I know,-if it so suits the Premier, and if he sees the Premier wishes it,-that it is not in order; and consequently any attempt to inquire by the Public Accounts Committee into the public accounts of the colony is, to my mind, a complete farce. Mr. SEDDON (Colonial Treasurer) .- I do not wish to raise a debate and lose time-because it is a loss of time-but I do not wish to allow the honourable member's remarks to go on record without being met. No one regrets more than I do these continuous objections on the part of the Controller and Auditor-General; and when, as in these cases, the Law Advisers of the Crown advise that he is wrong in his interpretation of the law, what alternative is there but to carry on the public business of the country? If it was not so deadlocks would arise, and the administration of the country would be hampered and harassed. With regard to the functions of the Public Accounts Committee of late sessions, our functions have been confined simply to going into questions as between the Treasury and Audit Department, and the

Legislature has decided that all these papers must come before the House. The proper course is to place these papers before the Public Accounts Committee ; and really all we have to do during the last few sessions has been to inquire into these matters, and the legitimate work of the Public Accounts Committee has had to be set aside. Now, that is the real position of the case, and no one knows it better than the honourable member for Bruce. Now, Sir, what is there in this case that has just been before the Committee? In all the cases except one the Committee did not think it worth while to call any evidence at all, and the motion was put without a division, and the honourable member for Bruce did not demur to that course. If honourable members will look at the minutes they will see that is so ; it was tacitly and generally understood in the Committee in all the cases except the fourth that there was no necessity for the Committee to go into them at all. An Hon. MEMBER .- NO. Mr. SEDDON .- I say that was so. Mr. W. FRASER .- They went into them. Mr. SEDDON .- They went into them, but they did not call any evidence except in the one case. Now, I say that aspect of the case ought to be put. What does it matter as to the constitution of the Committee if these are your results ?

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. It shows to the House that there was a general consensus of opinion on the Committee that these were matters of not sufficient importance, or that the decisions given had been in accordance with the law. Now, I come to the case of the steamers, and the charges to the Marine vote. I say there could be no other vote that the money could be charged to, and the House deliberately last session voted the money for the steamers. Let honourable members look at the estimates, and they will see that we voted the money for the service of the steamers within and without the colony. If, therefore, the House voted moneys for the steamers for services without the colony, I say it was contemplated and understood that if necessity arose to send these steamers beyond the colony the moneys for coaling and for food and equipment of these steamers were provided by Parliament. If Parliament wishes to insist that they are not to leave the colony, or, if they leave the colony, that the moneys for coaling and equipment shall be charged against " Unauthorised," then let them simply confine the money for services within the colony. Why, then, was the alteration made for services without the colony ? The Controller and Auditor-General stuck up the money when the steamers went to Samoa at the time an emergency arose there, because the services had been rendered outside the colony, and on that occasion the expense was charged to " Unauthorised." In another case, when the steamers went to the Cook Islands, the same course was followed. That being the position, I say the question now raised is not as to the charge, but the intention of the Committee was that there ought to be credit taken to refund the steamers for the services performed. That is what the contention was. Then, if that is the case, it is not a question for the Controller and Auditor-General, but a question of administration. In this case, where is the line to be drawn ? Portion of the coal and portion of the provisions on board would be used, of course, in the services performed outside the colony. Then, what was contended by the honourable member for Bruce? The honourable member has kept it from the House, and it is a proposal that the honourable member for Hawke's Bay altogether objected to. The honourable member for Bruce said it ought to be charged against the Defence vote. did not tell the House that was his contention. The member for Hawke's Bay said, "Certainly not; why charge the expenses of men who are sent to take part in a function in Australia against the Volunteers and Defence Forces of the colony ?" Why, the honourable member's contention was simply the height of absurdity and nonsense. By what right should such a charge be made against the defences of the colony ? It forms no part of our defence. It was merely a friendly action. We sent some of our Volunteer Forces and a number of civilians to Australia, and why should the expense of so doing be charged against the Defence Force? That, however, is what the honourable member contended for on the Committee ; and when he gets beaten he comes, like a naughty boy who does not like his beating, simpering to the House. The honourable member was wrong in this respect: he says

the expense should be charged to some department. Well, have we a department for intercolonial visits ? I think I know the estimates as well as most people. We have a department for labour, and a department for industries and commerce, and other departments ; but I do not know that we have a department under the name of " Re- presentation of the colony in other colonies at State functions." The honourable member con- tended, however, that the expenses ought to be charged to a department. Mr. J. ALLEN .- Or to " Unauthorised." Mr. SEDDON .- The honourable member is now changing his ground, and says it should be charged to " Unauthorised." Well, the honour- able gentleman is altogether wrong in the position he has taken up. He also says there may have been champagne. I have heard of " Champagne Charlie," but not of " Champagne Charles "; and if it is at any time my good fortune to have the honourable member as- sociated with me in the representation of this colony at any State function I have no doubt he will get his champagne. I would not give him cold water. At any rate, the fact remains that the vote deals with the expenses of a steamer. The other costs, as far as the colony's representation at the Commonwealth celebra- tions are concerned, will come directly under the notice of the House. It is now only a question of whether, having your own steamer, you are to pay a large sum of money-probably double the sum-to private steamers to take your troops and your representative men to Australia. Certainly, the most economical way was to send our own steamer. Mr. W. FRASER. - There is no objection to that. Mr. SEDDON .- Then, why is the motion brought up? If it is on strictly technical grounds, then, I say, that on that technical ground the best judge is the Solicitor-(General ; and if you have any confidence in your Solicitor- General then why do members not take the thing on its merits ? As the honourable mem- ber said, " Has there been a single member of the Committee who has said the Solicitor- General was wrong in his legal definition ? " No, it was never contended for a moment, and He it is not contended now that his definition was wrong in law. Therefore, if he has been right within the law, and his definition is questioned by a layman-because the Auditor-General is a layman-there must be some one to put the matter right. If you do not have that, what is the result ? Your administration is stopped ; and there must be some mode of reference when difficulties arise. If you find fault with your present mode of reference then point out an improvement. If you have no means of settling these differences are you going to have the colony brought to default because there is a difference of opinion on a legal point raised by a layman as against the opinion of the Crown Law Officers ? Such a position would be monstrous, and why

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it should be everlastingly brought on the floor of the House I cannot understand. We come now to the fourth question, which has reference to the Bank of New Zealand. There was a sum of £5,000 odd of accrued interest on the prefer- ence shares of the Bank of New Zealand. As members are aware, the colony found the money for those preference shares. The Bank having now taken over the shares, the money, of course, belongs to the colony. The half million of principal was paid in to the Public Trustee. The question then came as to whether the £5,800 should be handed over to the Public Trustee, who would put it in the right-hand pocket, and then issue a cheque and hand it over to the left-hand pocket. That was the contention of the Controller and Auditor- General - namely, that it should be paid over to the Public Trustee. Another question was raised on the point as to whether the Public Trustee should hand it over to the Public Account. It was held by the Law Officers that the Government having issued the de- bentures, the interest on the dividends should go to the Government. If we did not get the dividends and the interest we could not pay the interest on the debentures. The colony would therefore have to find so-much money out of the Consolidated Fund without being repaid. The Auditor-General said that did not matter ; the money must go to the Public Trustee. Very well, the Public Trustee himself says : "Under my trust, and under the law of trust, I am only trustee for " - who ?- " for the Government." Mr. J. ALLEN .- No, for Parliament. Mr. PIRANI .- No, he said, " the Govern- #cc-zero ment." Mr. SEDDON .- As I said

before, the member for Bruce has got a very bad memory. Mr. J. ALLEN .- I said he ought to have said " for Parliament." Mr. SEDDON .- You did not say that a minute ago; it was only when the master corrected you that you altered your statement. The money went into the Public Account, and we have paid the interest on the debentures. When the matter came before the Committee, the Controller and Auditor-General was called upon to give evidence, and he simply adhered to what appears in the papers before the House. There is also the opinion of the Solicitor- General. The Solicitor-General is more than ever convinced that he was right. It so happens that we have as Public Trustee a barrister and solicitor, and he stands high in his profession, and he is certainly unbiassed. Now, what does he say ? He says - Mr. J. ALLEN .- Might I ask what the Premier is reading from ? Mr. SEDDON .- I shall please myself what I read from. Mr. J. ALLEN .- I ask, if the honourable member reads from a document, that it be laid on the table. Mr. SEDDON .-- I can take my own notes surely. I say the Public Trustee made this state- ment to the Committee- Mr. Seddon Mr. J. ALLEN .- I ask whether the docu- ment should not be laid on the table ? Mr. DEPUTY-SPEAKER .- If it is evidence taken before the Committee. Mr. SEDDON .- Yes; I am not, however, bound to tell the House what I am reading from. An Hon. MEMBER .- Yes. Mr. SEDDON .- I say, I am not. At any rate, it is for the Speaker to call me in ques- tion, and I am prepared to defer to the de- cision of the Speaker. The witness was before the Committee, and the questions and answers were as follows :- " Right Hon. R. J. Seddion.] You are Public Trustee of this colony ? - Yes. " Some time ago you received \$500,000 on account of the preference shares of the Bank of New Zealand ? - Yes. "Are you aware that there is some money coming on that account ?- There are dividends on the shares. " Did you receive that money-No. " Are you aware where the \$5,657 10s. 6d. of dividends went ?- To the Government. " Had it come to you, what would you have done with it ?-- I would have handed it over to the Government. It belonged to the Govern- ment. "Captain Russell.] What does 'belong to the Government' mean ?- It belongs to the Government ; because if a sum of money is deposited, the person with whom it is deposited holds all future accumulations in trust for the depositor. "Right Hon. R. J. Seddon.] Presuming that this \$5,657 10s. 6d. interest had been paid to you, what would you have done with it ?- I would have kept it until the Government de- manded it. All the accumulations on the \$500,000 belong to the Government. I am only concerned with the \$500,000. "Presuming the money had been handed to you, you would have paid it back to the Treasury ?-- I would have done so. It belongs to the Government, and I informed the Treasury to that effect in March last. "There is interest accumulating on that €500,000 ? - Yes. " What would you do with that interest ?-. Pay it to the Government. It belongs to the Government. If they wish to leave it with me I will take charge of it. "On what authority ?- The Act does not say what is to be done with the accumulations : but the ordinary rule of law is that the accumu- lations belong to the person who has deposited the money. Any work on Equity will show you that there are different sorts of trusts. If, for example, I convey a property to a trustee to meet a future claim, or to do something with that property in, say, twenty or thirty years' time, all the net accumulations on the property in the meantime come back to me. The law is so clear on that point that every lawyer knows it. "Could you quote any authorities on the subject : We want to know the legal position ? -I may refer you to . Lewin, Law of Trusts,' page 155, second edition, where it is laid down,

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to A and his heirs to pay testator's debts, and there is a surplus, this surplus results to testa- tor's heirs.' Again, in ' Story, Equity Juris- prudence,' second edition, pages 824, 825, the words are, ' Another form in which a resulting trust may appear is where certain trusts . are fully executed and yet leave an unexhausted residuum. In all such cases there will arise a resulting trust to the party creating the trust.' In the same book, at page 828, the following appears : 'The same principle applies to cases where the whole of the estate is conveyed or devised, but for particular objects and purposes, or on particular trusts. In all such cases, if those objects or purposes or trusts, by accident or otherwise, fail and do not take

effect, or, if they are all accomplished and do not exhaust the whole property, then a resulting trust will arise for the benefit of the grantor or devisor or his heirs. In *Cook v. Smith*, 45 C. D., page 38, it is laid down : 'When a deed assigns the property of the debtor to trustees to pay debts, and does not expressly provide for the payment of the surplus to the debtor, there is a resulting trust of such surplus to the debtor.' In fact, any work on Equity will give you any number of such cases. The principle is that, where there is a surplus beyond the amount required, that surplus reverts to the person who has paid in the money. " Have you read the papers in reference to this matter ?- Yes, I have read parliamentary paper B .- 19. " You will have noticed that in one opinion given by the Solicitor-General he reads in certain words which are not in the Act. He reads them in so as to make clear the intention of the Legislature. Is there any authority for that ? -Yes, there is authority for it. I should not think it necessary to read in the words, the principle is so well known; but in ' *Broom's Legal Maxims*,' sixth edition, page 498, you will find this passage, 'He who too minutely regards the form of expression takes but a superficial and therefore probably an erroneous view of the meaning of an instrument.' In construing a deed, every part of it must be made if possible to take effect, and every word must be made to operate in some shape or other. 'The construction likewise must be such as will preserve rather than destroy.' (Lord Brougham, *Langston v. Langston*, 23 W. and Fin.) . The Judges ought to be curious and supple to invent reasons and means to make Acts effectual according to the just intent of the parties.' (Crossing v. Seudamore, *Moseley v. Metieux*, 10 M. and W., page 533.) ' They will not therefore cavil about the propriety of the words, when the intent of the parties appears, but will rather apply the words to fulfil the intent than destroy the intent by reason of the insufficiency of the words.' (1 Plow., 159, 160, 162) ' When a Court of law can clearly collect from the language within the four corners of a deed the real intention of the parties they are bound to give effect to it by supplying anything necessarily to be inferred from the terms used.' (Gwin v. North Canal in construing a statute that the intention of the law-giver and the meaning of the law are to be ascertained by viewing the whole and every part of the Act. no clause, sentence, or word shall be superfluous, void, or insignificant, and it is a sound, general principle in the exposition of statutes that less regard is to be paid to the words used than to the policy which dictated the Act ; as if land be vested in the King and his heirs by Act of Parliament, saving the right of A, and A has at that time a lease of it for three years, in this case A shall hold it for his term of three years, and afterwards it shall go to the King.' ' It is by no means an inconvenient mode of construing statutes to presume that the Legislature was aware of the state of the law at the time they passed it.' (Jones v. Brown, 2 Exch., 332.) That is the general principle in the legislation with regard to trusts. " Then, the clause in the Bank of New Zealand and Banking Act, which says that the \$500,000 may be paid to you, being silent in respect to the disposition of the interest upon the debentures, you consider that it would have been superfluous to have inserted a provision in that regard, as the ordinary rule of law would apply ? - If I saw an apparent omission I would understand that the Legislature saw there was no necessity for the words. In some cases the Legislature has put in such a provision, as, for instance, in ' The Foreign Insurance Companies Act. 1894.' That Act allows the foreign companies to deposit securities or cash with the Public Trustee. He holds them in trust to meet possible claims, and the Act expressly states that any earnings on the cash deposited go back to the depositor, but if the Act had not said so, I should certainly, on the general principle of law, have paid the earnings to the depositors. " All that you have to keep by law is the £500,000 ?- That is all. I should certainly pay the interest back to the Treasury. It would only be entered in the books of the Public Trust Office for the purpose of record, so as to keep the books clear. " Have you received any interest since then ? -Yes. " What interest ? - Interest on the sum for the half-year. It was on the 2nd July it was paid into the Treasury. " If there is any further interest accumulating what will you do with it ? - Pay it into the Treasury, unless the Treasury wishes me to take charge of the accumulations. " You do not expect any difficulty in regard to the interest accumulating ?- No. I expect the Treasury will ask

for it and get it. " In the meantime the Treasury will have to find the interest ?- Yes ; 33 per cent. on the debentures. " Have you received any intimation from the Controller and Auditor-General not to pay this money to the Treasury ? - None officially. There is nothing on the file to show it. I have heard that he objects to its being paid, but his objection has not come to me yet.

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"Supposing you received an official notice from the Controller and Auditor-General not to pay the money, would you still pay it over ?-- Yes. I cannot find any authority by which I should be justified in holding the money. It certainly belongs to the Treasury. " Would the Audit Office be able to prevent you paying it over ?- I do not know what would be the procedure. In March last I announced that I would pay the money over with the concurrence of the Audit Office. Of course, the Auditor-General may stick the matter up, but I do not see any objection to it. The money simply belongs to the Government. The Auditor-General is independent of me, and he may see objections from his point of view and refuse to pass it, but I do not see any objection. "He has to countersign the cheques ?- I cannot speak positively about that. The Accountant arranges that. If the Auditor objects there would be other proceedings. " Would not that be an interference with the administration of the Public Trust Office ?- No. The Auditor-General has control of our payments, and can object to any of them. "Then, if such a contingency arose it would mean a Governor's warrant ? - Yes. If the Auditor-General objected, we could not pay the money without a Governor's warrant. " You are a barrister and solicitor ?- Yes. " And you are satisfied that what you are doing is well within the law ?- I have no doubt of it. I contend the law is so clear that no lawyer can have any doubt about it. All works on Trusts and Equity set the law out so clearly 32106019788246 that there can be no doubt about it. "Have you not a barrister in the office, and a solicitor outside, whom you could consult ?- Yes ; but I did not consult them in this case. The principle is so clear that I took the responsibility on myself if any difficulty arose. If I had any doubt I should certainly have consulted the solicitor who conducts our cases outside ; but I had no doubt." The honourable member takes the narrow interpretation ; but I take the broader view, and I have given to the House what was really intended by the Legislature as the true interpretation of the law. Very well, what was this case ? Parliament said that the \$2,000,000 should be paid to the Public Trustee, so that when the debentures matured, the principal would be there, and the Act said nothing further as to the interest upon these moneys -as regards the dividend on these preference shares the Act was silent, and why ? Because every member of Parliament knew that there was no use hampering the Act by putting these details into it, when the law already made all the provision that was necessary. If the shares are taken over by the bank, in that case the interest shall be paid to the Public Trustee, who shall pay it to the Government ; or, otherwise, that the interest accruing shall be paid, first to the Public Trustee, and then by the Public Trustee to the Government. I say, to have put all that into the Act was unnecessary, and not being in the Act they had to take the ordinary law of trusts. For the time being the Mr. Seddon Government are the beneficiaries and are entitled to this money. If we do not get the money we should not be able to pay the interest on the debentures. Consequently, there was no necessity for it at all. At all events, that is the interpretation given by the Public Trustee, who is a disinterested party, and who says he would have done the same, whether the parties were the Government, the bank, or outsiders. Sir, that is the position, and upon it the attack is made upon the Government and upon the Legislature by the honourable member for Bruce. Sir, I can only say this, Why should we amend the law, when the law is at present perfect ? Is it because of the interpretation of the Controller and Auditor-General that an alteration should be made ? I say there is no necessity for it. We have done a good deal in the direction of altering our laws so as to avoid these petty troubles. Now, however, a position was being assumed that was becoming serious-so serious, indeed, that I think honourable members will see that there will be a necessity not only for maintaining our law as we passed it, but also for a further extension of the law. As to the question of bringing the payment of

the \$40 to members into this question, I say that was altogether unwarranted. The honourable gentleman, in my opinion, brought it in with the view of playing to the galleries. The law was not altered at all in respect to the £40. Hon. MEMBERS .- Yes, it was. Mr. SEDDON .- I say it was not, and I told the House that, in the face of the recommendations that came before the Government, we were not prepared to go back from the position taken up, and where the law was altered we could not have paid in any classified department a shilling more for any service unless we had altered the law. We could not have paid the increase to the railway servants, and the recommendation came from the Railway Department. Of course it applied in other cases as well; but it applied particularly to the railways, and it was to give effect to what was recommended by a Committee of the House, which recommendation was carried unanimously by the House. To say that that was used for the purpose of giving a Government supporter a position is altogether false. Sir, I say it was a good thing for the country that that power was given. Mr. W. FRASER (Wakatipu) .- The honourable member for Bruce said very truly that this report is the first-fruits of the Public Revenues Act of last year. The Premier has attempted to give a defence of the Public Revenues Act of last year. I do not think any member of this House looks with pride on the vote given for that Act, and if their inmost thoughts were known I think they would admit that they had done wrong. Mr. SEDDON .- You would not take the responsibility of repealing it. Mr. W. FRASER. - I would be only too happy to get the chance of doing so, and for the credit of Parliament I hope the Premier will bring down an amending Bill. Of course

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he will not. A good deal of the matter that is pending of any Government, and who can do has been introduced into this debate is a little foreign to the report of the Public Accounts Committee. In the first place, I want to say why I have risen. I have risen to enter my protest against this report. The report itself is a reflection on the action of the Auditor-General. The fifth case reads as follows: "That, in the opinion of this Committee the action of the Controller and Auditor-General was unnecessary, as the moneys were properly paid into the Treasury." Mr. SEDDON .- You voted for it. Mr. W. FRASER .- The honourable gentleman can surely carry his memory back to the last meeting of the Committee, when I raised my voice as loud as I could against this resolution, uttering the word "No." I was the only one who raised his voice against it; and that being so, I did not see the use of having my vote recorded, but I made up my mind that when the matter came before the House I would express my opinion about it. This House should be very careful how it passes votes of censure on the Auditor-General. It is to the Auditor-General that the House looks to be assured that the payments of the Government-not of this Government only, but of any Government who sits on those benches-are payments in accordance with the law. What is the use of having an Auditor-General at all, I would like to ask, unless you are going to leave him the powers the House has given him. Mr. SEDDON .- You had better put a lawyer there. Mr. W. FRASER .- The honourable gentleman, for years past to my knowledge, winced under the restraint put upon him by the Auditor-General, and it was only last year, when the Public Revenues Act was passed, that he effectually clipped the wings of the Auditor-General; and it is only since then that he can do whatever he likes. The House knows it, and it is right that the country should know it as well. The Bill we passed last year says this: "If a difference of opinion arises between the Treasurer and the Auditor-General." Now, in the past the Auditor-General was supreme, and he could say "No," but he cannot say "No" now. All he can say is, "I disapprove of it." What does the Treasurer do? He then gets the Solicitor-General to give him an opinion that the course he proposes to take is a proper one, and he gets a warrant from the Governor, and the thing is done. Mr. SEDDON .- And why not? Mr. W. FRASER. - "Why not?" says the Premier, and I suppose the House will agree with him when he says "Why not?" But I hope before long there will be a House of true representatives here who will say that the Government is bound by the decision of the Auditor-General. It is no use for the honourable gentleman to laugh and make interjections. I say the

only safety the House and the country has-I am not saying it in respect to this Government, but of any Government -is to have an Auditor-General who will be inde- his duty fearlessly. He has done so fearlessly, and reported to the House what he thought was a breach of the law. The House referred the matter to the Public Accounts Committee, and the Public Accounts Committee now bring down a report that the whole thing was un- necessary-that is to say, that the Auditor- General was interfering improperly. I say he was not interfering improperly. Mr. MORRISON .- Which question are you referring to ? Mr. W. FRASER .- I am referring to the whole of them. I say he was justified in every report he has made to the House in regard to these payments, and that the money could not. have been paid but for the Public Revenues Act of last year, giving power to the Government to. defy the Auditor-General. The Premier told this House that the opinion of the Government, fortified by that of the Solicitor-General, should rule in all these matters. Well, what next. shall we learn ? Mr. SEDDON .- In the interpretation of the law for the last twenty years we have acted on the opinion of the Law Officers. Mr. W. FRASER .- I say it is a most extraordinary statement to make to the House. Surely the Auditor-General is the person whom the House should rely upon, and not the Soli- citor-General. What has the Solicitor-General got to do with it? If that is the case, of what use is the Auditor-General? Abolish the depart- ment of the Auditor-General, and leave the whole thing to the Solicitor-General. That is the logical deduction from the Premier's state- ment, and that is virtually what the Premier has got through the pliancy of the House last year when they voted for the Public Revenues Bill : and the country has got them to thank for it. Mr. SEDDON .- It has been the position for the last twenty years. Mr. W. FRASER .- Does the honourable gentleman mean to tell me that the Auditor- General is bound by the decision of the Solicitor- General ? Mr. SEDDON .- Yes, for the last twenty years. Mr. W. FRASER .- The honourable gentle- man knows perfectly well that he is stating what is not the case. To show, Sir, that the Auditor-General had reason for the objection he raised, when the Public Trustee was up for examination the question arose about the pay- ment of this particular interest that has accrued since. I asked him, "Have you paid that money ? " and he said, " Yes." I said, "Has the Auditor-General objected to it?" and he said, " Not officially, but I understand he has objected to it." The truth of the matter is that the money was paid by the Trust Office to the Treasury. Mr. SEDDON .- No, it was not. Mr. W. FRASER .- What is the use of the Premier saying that, because in the evidence ho read to us just now the Trustee told us so. He told us this : that as far as his office was concerned they paid the money, but the Trea-

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surer was not allowed to allocate it because the Auditor-General refused his sanction. An Hon. MEMBER .- You are mixing it up. Mr. W. FRASER .- I am not. I know what I am talking about. The Premier then asked the Public Trustee, " If this case comes up again, and the Auditor-General prevents you from paying the interest, what will happen then ? Will you not require a warrant from the (Governor in order to pay the money?" A warrant from the Governor seems to be the panacea for all illegal acts. I suggested to the Trustee, " Would it not be better to alter the law ? " Surely, if the law is wrong, or is doubtful in its meaning, then make it clear, but do not let us have this everlasting inter- ference of the Governor in Council in matters of this kind. I am sure a majority of members of this House agree with me that where a pay- ment cannot be made properly, or any doubt exists, the law should be altered, and that we should not rely everlastingly on that section of the Act of last year by which any illegality can be rectified by warrant from the Governor. The Premier endeavours to make this 4.30. point : Are we to depend entirely upon the decision of a layman, such as the Auditor- General is, on legal points ? I can quite under- stand that difficulties may arise on that point, and I know that the Auditor-General has, perhaps, a very high opinion of his own legal attainments. As a layman, I am not competent to express an opinion on the subject, but I do not see why there might not be an alteration in the law in that respect. I can quite conceive that difficulties may arise between the Govern- ment and the Auditor-General where it would be

necessary that some independent person should step in and give an expression of opinion as to what the law really meant. It was suggested that the Solicitor-General should do this. Now, can any person conceive anything more ridiculous than that ? I am not talking about the present Solicitor-General-there is nothing personal in my remarks : but we know that the Solicitor-General is the servant of the Government ; he is the Crown Law Adviser; and I say that the proper thing would be for us to adopt the same process as that which is adopted by other public bodies, such as the Waste Lands Boards, who, where the interpretation of the Act is doubtful, submit a case for the decision of a Judge of the Supreme Court. If some such process as that were adopted in the case under discussion, I conceive there would be no difficulty. A Judge of the Supreme Court is a person entirely independent of any one -- Parliament, the Government, or anybody else. An Hon. MEMBER .- Circumstances might arise when you could not get the opinion of a Judge in time. Mr. W. FRASER .- You can always get the opinion of a Judge within a reasonable time. Before I sit down I desire to enter my emphatic protest against the wording of the last clause of this report, because I say that it is nothing more or less than a reflection on the Auditor-General for having fearlessly done his duty ; Mr. W. Fraser and it will be a bad day for this House and the country if the Auditor General is to be deterred from reporting to this House what he conceives to be breaches of the law. Mr. SEDDON (Premier) .- The honourable gentleman emphatically contradicted me, and led the House to believe that I made a statement which was not founded on fact, when I said the Act had been passed years ago giving the power of appeal to the Governor in Council. Section 53 of the Public Revenues Act of 1891 says,- " If the Audit Office declines to pass any issue or credit requisition on the ground that the charges therein are not according to law, the matter in dispute shall be determined by the Governor in Council, having before him the opinion of the Attorney-General thereon ; but the objections of the Audit Office shall, together with the opinion of the Attorney-General, be forthwith laid before Parliament, if Parliament be then in session, and, if not, then within ten days after the commencement of the then next session." An Hon. MEMBER .- Is that the law now ? Mr. SEDDON .- It has been the law since 1891, and even prior to that date ; so that, although a good deal of capital has been made out of last year's amendment of the Public Revenues Act, you will find that it is in accordance with the law of 1891. I was contradicted when I said that the opinion of the Attorney-General had to be laid before Parliament with the objections of the Audit Office-and the Solicitor-General-who is a parliamentary officer, and under the Attorney-General, who, again, is generally a member of the Cabinet. With regard to the objection of the honourable gentleman as to the payment of the dividends of \$5,600, I say that that money never was paid to the Public Trust Office at all, but was paid direct into the Treasury, and it is on the papers. Mr. W. FRASER .- I never mentioned one single syllable about the \$5,600 -- Mr. SEDDON .- You said just now the money was paid into the Treasury. Mr. W. FRASER. - I never referred to that specific sum, but to subsequent payments, and I will give the honourable gentleman the Hansard notes of my speech to prove my statement ; and I say further, with regard to the power to appeal to the Governor in Council, the clause the Hon. the Premier has just read is a different thing entirely from the clause in the Public Revenues Act of last session, and no one knows it better than the honourable gentleman. The wording 1 of that clause relates to an appeal on a question of law, but the wording of the clause of last session refers to a mere difference of opinion arising between the Treasury and the Auditor-General. They are two different things entirely. Mr. NAPIER (Auckland City) .- The honourable member for Wakatipu has stated that the Act which this House passed last year provided that in every case of a difference of opinion between the Government and the Auditor-General

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That is not so. Mr. W. FRASER .- I did not say so. I said, "to decide as to the manner in which the receipts and expenditure were to be allocated." Mr. NAPIER .- That is not so. Section 9 of the Act of last year says,- "In case any difference of opinion arises between the Audit Office and the Treasury as to the vote,

appropriation, fund, account, or other authority to which any expenditure ought to be charged, or as to the proper head of revenue, fund, or account to which any receipt should be credited, the question shall be determined by the Treasurer, and his determination shall be laid before Parliament as provided by section fifty-three of the principal Act : " Provided that if in the opinion of the Audit Office the question involves matter of law, then it shall be determined by the Governor, having before him the opinion of the Attorney-General thereon ; and in such case the objection of the Audit Office, the opinion of the Attorney-General, and the determination of the Governor shall be laid before Parliament as provided by section fifty-three of the principal Act." Therefore it will be seen that the honourable member is entirely wrong in suggesting that matters of fact were to be laid before the Governor. It is only where the difference between the Auditor-General and the Government involves questions of law that the matter is referred to the Governor, and in such cases the Governor is to have before him the opinion of the Attorney-General, or, if there be no Attorney-General, the Solicitor-General. The honourable member for Wakatipu practically threw out a challenge to the majority in this House who passed the Public Revenues Act of last session, and he stated that there was not one honourable member who in his heart could look back with satisfaction upon the vote he gave last session in passing that Act- Mr. W. FRASER .- I did not say " one member "; I said " the great majority." Mr. NAPIER .- Well, Sir, I personally look back with the greatest satisfaction upon the vote I gave in passing that Act. I believe, Sir, that that Act has been greatly abused and extremely misrepresented in the country, and honourable members opposite think that by heaping abuse continually on that statute the public generally will forget what the statute really meant, and will consider that something extremely wrong, entirely unconstitutional, and improper was effected by that amendment of the law. Now, what has been the principal change in the law effected by the Public Revenues Acts Amendment Act of last session ? It is practically this: that the people of this colony, through their representatives, shall disburse the public revenues of the colony in the manner they think best without the intervention of any permanent officer or bureaucrat. Section 3 of the Amendment Act of 1900, which is the head and front of offending, according to with him, says,- "In any case where any payment of an item is provided for in the estimates as passed by the House of Representatives, and is included in the total of a vote in the Appropriation Act, such payment of the said item may be lawfully made, anything in any Act to the contrary notwithstanding, and the said payment shall be deemed to be irrespective of any appropriation or limit contained in any such last-mentioned Act : Provided that in no case shall the amount so paid exceed the total sum of the item voted : "Provided further that this section shall apply only to payments which could not lawfully be made if this section were not in operation." I say, Sir, unhesitatingly, that the pretensions of the Auditor-General are inconsistent with a free democracy. The representatives of the people are the sovereign power, and if the representatives of the people say that a certain sum of money shall be voted to a particular object, it is to me astounding to suggest that any salaried officer of the State shall interpose and say to Parliament, "You shall not vote this money. You, the custodians of the public purse-you, the power which levies the taxes-you, who voice the opinion of the electors of this colony, shall not decide how the public revenues are to be disbursed-how much is to be expended in one direction and how much in another direction - unless you express your will with the formality of a statute." I say, Sir, that if a sum of money is voted upon the estimates, that is law; a vote of this House certainly is and ought to be law; and I am surprised that any honourable gentleman will contend to the contrary-will assert that a vote of the representatives of the people of this colony shall not be the law. Will the honourable gentlemen opposite go out into the country and proclaim their belief that the representatives of the people ought not to rule this country ? I say, Sir, that the functions of the Audit Office are to see that the expenditure authorised is properly certified, that the expenditure has been made as it has been voted by the House of Representatives ; and it was never intended that this officer, however conscientious and however able he may be, should

intervene and say that if there is a statute this House cannot by a vote modify or alter the payments mentioned in that statute. Now, Sir, a great amount of misrepresentation as to the origin of this Amendment Act has been disseminated throughout the country. It has been said that this Act was passed because of a bribe of £40 that was offered to each member by the Government. There never was a grosser calumny or a fouler libel published upon this House than that statement. I am not in the confidence of the Government, and I found out perfectly independently -and any honourable member who wishes to investigate and inquire can find the same thing out for himself - that this Act was suggested and devised by departmental officers months before Parliament met. It had nothing whatever to do with the £40 sessional

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designed and it was suggested in order to overcome the difficulties that had arisen between the Audit Office and the Government with regard to moneys voted in cases where the expenditure had been fixed by statute. There were difficulties in connection with certain expenditure at Government House, for instance- necessary expenditure as it seemed to be to the Responsible Administration. There were difficulties in regard to increasing the pay of railway servants, because, their pay having been fixed by a Classification Act, it was contended that their wages could not be increased by vote of this House; and in many other ways the Audit Office raised objections which were not tenable, and which would practically whittle away the liberties of this House almost to vanishing-point so far as the administration of public moneys is concerned. I therefore say that the Act of last year was essential to restore to this House its proper power and the proper exercise of its functions. For over twenty years a (General Appropriation Act was held to cover the votes passed in the estimates. "The Public Revenues Acts Amendment Act, 1900," it seems to me, practically assures the supremacy of this House over the country's finance ; and in the final result do we not all agree that that must be so? What is to be law in this colony ? Is it not to be the voice of this House ? Personally, I have certain views in regard to another branch of the Legislature, but I do not wish to obtrude these views at this juncture, as they probably would not be relevant. But I do strongly contend that the people of this colony are the sovereign power. They elect their representatives to this House to decide what moneys shall be collected from the people, and how those money shall be expended. The representatives of the people, by the means known to the Constitution, vest their confidence in a certain number of members as the Executive for the time being, and if the Executive pay money improperly the proper constitutional remedy is to put them out of office. The provision in this law for the laying of differences between the Auditor-General and the Treasurer before Parliament is perfectly ample. Nothing can be done secretly, and the power of control by Parliament is absolutely assured. I therefore maintain that there is really nothing in the objection raised against this measure by honourable gentlemen on the other side, and that the constant attempt to belittle it and besmirch the character and reputation of members who voted for it, and the suggestion that it originated in a bribe, and was passed at a price, is one of the most infamous calumnies ever disseminated in the country. Mr. SEDDON. - The honourable member for Palmerston challenged the statement I made that twenty years ago this was the law. I was speaking from memory, and I could not for the moment recall the Act. But I sent out to have my statement verified, and I find, on looking at "The Public Revenues Act, 1878," the following :- Mr. Napier issue or credit requisition on the ground that the charges therein are not according to law, the matter in dispute shall be determined by the (Governor in Council, having before him the opinion of the Attorney-General thereon ; but the objections of the Audit Office shall, together with the opinion of the Attorney-General, be laid before Parliament." Mr. PIRANI (Palmerston). - The Premier might have supplemented his statement by saying that the first part of section 9 of the Public Revenues Act of 1900 was law in 1872, and was repealed and not re-enacted until 1891. Now, you actually have the Premier trying to thrust a misleading statement down the throats of members of the House, and nobody knows

better than he that, with the exception of the present Ministry, after the Grey Ministry re-pealed the first part of the section in 1878, such a clause was scouted by every Ministry this colony has seen. Mr. SEDDON .- It was the law in 1978, and even prior to that date. Mr. PIRANI .- No; in 1872; but it was re-pealed, and the Premier did not say so. Now, the most extraordinary thing in this debate has been the dissertation on constitutional govern- ment by the honourable member for Auckland City, Mr. Napier-the honourable member who after last session of Parliament, with this Public Revenues Act tingling in his ears, told the people of Auckland that constitutional govern- ment did not exist in this colony-that constitutional government was a myth. Mr. NAPIER .- I did not say that. Mr. PIRANI .- I have the honourable member's own speech here, and it has been read twice also in this House this session. It was published in the Auckland papers, and the honourable gentleman has not risen in his seat here or written to a single paper to contradict it. Mr. NAPIER .- I did not say it. There was no such statement in any newspaper. Mr. PIRANI .- I will read it,- "The first thing that struck him during his first few weeks in Parliament was that, according to the ideas he had formed of parliamentary government, and according to what was laid down by constitutional writers. parliamentary government did not exist in New Zealand. According to the Constitu- tion of New Zealand, the people of New Zealand were supposed to be supreme in the government of the country. The Ministry was supposed to be a committee of the repre- sentatives of the people, to obey the represen- tatives of the people and carry out their desires. The measures were concocted and devised by the Ministry, and members were supposed to accept them unintelligently. Constitutional govern- ment was a complete myth." Yet we have the honourable gentleman talk- ing the utter nonsense he supplied us with in his discussion. The honourable member knows as well as the rest of us what was the alteration in regard to the Order in Council made by the House last year, and he knows as well as I do,

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unconstitutional for the Auditor-General to pass a payment that is not clearly included in the Appropriation Act. The honourable gentle- man knows this too : these payments that are objected to are payments which were not even passed on the estimates. They are not em- bodied in our Acts as legal payments; and, therefore, if the House does not embody those extra payments in our Acts, as it ought to do, then it is the duty of the Auditor-General to refuse to pass them. Where is the Auditor- General to take his instructions from ? He is an officer of Parliament, and if Parliament do not give him instructions in the only consti- tutional way they can give those instructions, whom is he to take his instructions from ? The honourable member told us also-I do not know where he got his information-that the Auditor-General had refused to pass pay- ments to railway servants in excess of the wages laid down in the Classification Act. Where did the honourable member get that information ? Is it true? or did he invent that information, like a good many of the precedents quoted in the Supreme Court are invented at times? If the honourable member will look up the Appropriation Acts and the estimates for several years since the Classifica- tion Act was passed he will there find a sum voted to give 6d. a day extra to certain men in the railway service. There has never been any objection to that payment. It has been made year after year. Why? Because it has been included in the Appropriation Act, where it ought to be included, and where these sums which are objected to were not included. The honourable member knows as well as I do that the greatest safeguard a constitutional country can have of the proper expenditure of its public moneys is publicity. As far as I am concerned, I do not care a button if we had not the audit- ing of the Public Accounts of the colony at all, provided particulars of every single item of ex- penditure was laid on the table of the House at the commencement of Parliament ; but I will guarantee that the Government will not even appoint a Committee of its own supporters and lay before that Committee every item of expen- diture during the last financial year, or in any financial year during their term of office. That is the reason for this clause in the Public Re- venues Act-namely, to provide that where the Government propose an expenditure that the

Auditor-General says is not in accordance with the law the items of that expenditure shall be laid before the House, and the House shall deal with it as they please. But, unfortunately, as the honourable member for Wellington City (Mr. Fisher) pointed out to-day, the House is abrogating all its privileges. Standing Orders are nothing to us now, and under the rule of the Government any such thing as obeying the law of the land is utterly unconstitutional if it harasses the Government. I will give the honourable member an instance in which this practice of the Government has already worked evil in the colony. In 1897 there was a dispute between the Audit and the Mines Department, instead of compelling their officers to obey the law, actually amended the law, and repealed in the Mining Act the reference to the Wardens, resting content with a statement by the Receiver of Mining Revenue alone. We know that the Receivers of Mining Revenue are, as a rule, in remote parts of the colony. Their accounts cannot be checked with the facility that the accounts of those in the centres of the colony can be. One officer in Otago, from the date of the passing of this Mining Act, embezzled receipts under it until the amount came to something like £700. Mr. SEDDON .- It so happened that in this case the accounts were certified to by the Warden as being correct. Mr. PIRANI .- That is impossible, simply because under the law they are not required to be certified to by the Warden. If the honourable member will read the Mining Act as amended by himself he will see that is so ; and I say this: It is far more in the interests of true democracy that the expenditure of the public moneys in this colony should be safeguarded, even if the Administration is harassed, than that that sort of embezzlement should be encouraged. A very peculiar incident in this debate has been the forensic knowledge displayed by the honourable member for Auckland City (Mr. Napier). The more I hear the opinions of that honourable member the more I am astounded to think that a member of the legal profession can stand up and give utterance to them. There was another remarkable fact. Under the Standing Orders, Committees are supposed to bring down, in addition to the report, the minutes of the proceedings of the Committee and the evidence, if any. Neither the minutes of the proceedings nor the evidence have been brought down. Now, the member for Wellington City (Mr. Fisher) is the Chairman of the Committee, and members will remember that the honourable gentleman protested to-day against the Standing Orders being violated by the Government ; and yet he brings down a report, and violates the Standing Orders himself. I would say to the honourable gentleman that before he protests so much about the Government not obeying the Standing Orders he should obey them, and so prove to the Government by example that he is sincere himself. But although the honourable gentleman did not bring down the minutes and the evidence, the Premier actually has them in his possession. Now, I would like to know under what authority in the Standing Orders, or of Parliament, any member of the Committee -the Premier not excepted - excepting the Chairman or the Clerk, has the custody of the papers of the Committee. The Premier actually wanted to deceive the House by telling us they were his private notes, taken by himself, I suppose, in shorthand. Why, there was nobody in the committee-room, except the shorthand writer employed by the Committee,

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and members will understand now why the Premier was anxious to exclude members from that Committee's meeting when they were deliberating, because at the following meeting to that on which such action was taken, I am informed, the Committee passed a resolution ordering the Chairman to bring this report down to the House, and the Chairman, who now wants the Standing Orders obeyed, actually neglected to carry out that duty until two members of the Committee went to him and asked why the report had not been brought down. Then he comes here to-day with a bald report, without the evidence, and without the minutes of the proceedings, and expects the House to discuss it. Mr. FISHER .- Why bald ? Mr. PIRANI .- Because you are bald. Mr. DEPUTY-SPEAKER .- The honourable member must withdraw that expression. Mr. PIRANI .- I will withdraw it, but I cannot deny that the honourable member

is bald. Mr. DEPUTY-SPEAKER .- I must ask the honourable member to withdraw the statement unreservedly. Mr. PIRANI .- I will withdraw the expression. Will the honourable gentleman withdraw his statement ? Mr. DEPUTY-SPEAKER .- I did not hear it. Mr. PIRANI .- No, of course not. Mr. DEPUTY-SPEAKER .- What remark was made by the honourable member for Wellington City (Mr. Fisher) ? Mr. FISHER .- He said I had brought down a bald report ; and I asked, "Why bald?" I will give my reply to that when I speak later on. Mr. PIRANI .- Now, there is a most extraordinary thing about the proceedings of that #cc-zero Committee, and the reason, I suppose, why the minutes of evidence have not been brought down is that the Public Trustee, an officer of the colony, who is supposed to carry out the duties of his office independent of the Government, comes to the meeting with an armful of legal opinions in support of the Government's position - not in support, mind you, of the position between the Public Trustee and the Government, but in support of the opinion of the Solicitor-General under which the Order in Council has been made. It is a most extraordinary thing that a man in the position of the Public Trustee should show his hand so plainly in that direction, and that a barrister and solicitor of the Supreme Court-as the Premier tells us-should come to the Public Accounts Committee prepared to back the Government up at any price. The Premier read from the evidence of the Public Trustee his opinion as to resulting trusts. The Premier did not understand what he read a little bit, and anybody who knows anything about resulting trusts will see that the Premier got hold of the wrong end of the stick in this matter. We had the opinion of the Public Trustee as to reading words into an Act, but in the Public Trustee's evidence he said that you only read words into an Act when the meaning of that Act is not plain. I will Mr. Pirani are plain or not. This is the section of the Bank of New Zealand Act in which the Solicitor-General so conveniently read the words :- "The bank may, from time to time, within six years after the issue of any such preferred shares, and on giving twelve months' notice of its intention so to do, repurchase from Her Majesty all or any of the shares so issued, at a price equal to the nominal amount thereof, plus the amount of all dividends accrued and unpaid in respect thereof up to the time of payment of the price ; and, upon payment of the price therefor, all such repurchased shares shall be surrendered to the bank, and be available for reissue as hereinafter provided." Now, that is clear. The bank may purchase at the par price of the shares, plus the amount of dividend. And what is meant by plus? Is it minus? Then, subsection (2) says that all the moneys received for the repurchase of shares-that is, the par value of the shares plus the accrued dividends-shall be paid to the Public Trustee, and applied by him to the redemption, when due, of the securities to be issued under section 7. Does that want any words read in it to explain its meaning ? The words are plain in the section. Then, the Public Trustee, in his evidence, said it was the Government who owned the money-that the money belonged to the Government. Why. there is no money that belongs to the Government. The idea of a lawyer using a loose expression of that kind! As a matter of fact, public money is not even under the control of the Government until we vote it on the Appropriation Act. Anybody who knows anything about the law of trusts knows this : that the moneys belong to the person who created the trust ; and Parliament created it, and it is to Parliament that any surplus over the £500,000 belongs, and if Parliament likes to appropriate this money, that is a matter for Parliament itself. But it is as clear as can be that under the law the accrued dividends undoubtedly must be kept by the Public Trustee as a resulting trust for Parliament to -- dispose of as it thinks fit ; and I challenge any lawyer of any standing in the colony to prove that that is not the law as to trusts and resulting trusts. The Public Revenues Act has been referred to very fully and very freely by the member for Auckland City (Mr. Napier). But I may tell the honourable member this : that one of the strongest supporters of the Government said this to me, with reference to the ±40 vote, when I was opposing the passage of the Bill, "That if that clause was not passed. the \$40 could not be paid " ; probably a statement made to him by the Premier. An Hon. MEMBER. - I would like you to name him. Mr. PIRANI .- The member for Wallace, Mr. Gilfedder. I have no objection to name him. and I said to him, " If that is the case why does the Premier

not get up in the House and say i so ? " Mr. SEDDON. -- It was not so.

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Mr. PIRANI .- The impression was created that the clause in the Public Revenues Bill allowed the \$40 to be paid. I made this statement last year in the honourable member's presence, and it is clear to anybody who understands the law that, no matter what was in the Premier's mind, that clause of the Public Revenues Act is as I have stated. Mr. SEDDON .- The Railway Department recommended a change in the law two months before ever the question of a sessional allowance to members was thought of. Mr. PIRANI .- The Premier has complained very bitterly of the manner in which he has been harassed by the Auditor-General in regard to the finances of the colony. That is a matter between himself and the Auditor-General, and if the Auditor-General is wrong, then the Premier has been neglecting his duty in not coming down to the House and terminating the engagement of that officer. I say if there is an officer of the Government-I do not care who it is -- who is not carrying out his duties according to the law, but is unnecessarily harassing the Government-who is causing a great deal of trouble in regard to the administration of the colony-it is surely the duty of the Government to terminate the engagement of that officer, and put somebody in his place who will carry out the law as it ought to be carried out. But what are the facts? In every case where there has been a dispute between the Auditor-General and the Government on a question of law, the Controller and Auditor-General has been proved to be right and the Solicitor-General has been proved to be wrong. You have only to look back a few years, and you will see that has been the case. I challenge the Government to submit any cases in this paper to a Judge of the Supreme Court or to the Court of Appeal, and if the decision is against the law set up by the Auditor-General, then I shall be satisfied with the statement of the Premier that the Solicitor-General is right. Mr. FISHER .- Oh, you will be satisfied ; that settles it. Mr. PIRANI .- The honourable member for Wellington City will never be satisfied until he is Commissioner of Police. The Premier told us in these inquiries before the Public Accounts Committee that in all the cases except one no evidence had been called. What is the fact about the Public Accounts Committee? It is what I have termed over and over again the Government's public cemetery. They bury everything they think is nasty, or which tells against their administration, in the Public Accounts Committee. The Government have a large majority on that Committee, and the Government come down to this House completely whitewashed. An Hon. MEMBER .- Only one member of the Committee disagreed with it. Mr. PIRANI .-- Take these cases. What are they ? They are disputes between the Treasury and the Auditor-General. The Treasury is the Premier under the Act ; you will see in the definition of Treasury it means the Colonial Treasurer. What happens? The Committee General and the Treasurer, and the Treasurer actually dictates to the Committee what evidence should be given, what questions should be asked, and how the inquiry is to be conducted. An instance occurred when the Secretary to the Treasury was under examination ; he was asked how he had invested this \$500,000, and the Premier rose and objected to the question being put. The Chairman asked the Premier to move in the matter, and the Premier moved a motion that the question should not be put : the motion was put to the Committee and carried. But at the next meeting of the Committee the Public Trustee was asked the question, after I had shown the Premier the investment in a public paper that had been laid on the table of the House, and the Premier did not object; and the Public Trustee said the money was invested in 3-per-cent. debentures. The Premier contradicted it, and tried to get him to admit that he had made a mistake, and that the debentures were 3} per cent., but the Public Trustee would not. Mr. SEDDON .- Yes, he did. Mr. PIRANI .- No; he said the Government were paying him 3} per cent., but the debentures were 3 per cent. I should like to know under what authority of Parliament the Government can issue debentures at 3 per cent. and pay the person who holds them interest at the rate of 3} per cent. ? It is a very difficult thing to follow these £500,000 of debentures. The Premier told us, as honourable members will remember, at the time of the transaction that the £500,000 had been paid in

cash to the Bank of New Zealand, because they had such a surplus of cash. No: Government had \$500,000 of 3 per cent. debentures in pledge in London with the Bank of New Zealand, as collateral security, I suppose, for the advance of an equal amount, and the Government were paying the Bank of New Zealand in London 3 per cent. There is very clear evidence that the question of cash amounted to nothing at all, and there is no doubt these were the debentures the bank held; they wanted to unload them, and they were unloaded on the Public Trustee for this £500,000. It would have been a simple matter in connection with almost every one of the disputes if the Government were to amend the law as they have done in one case-as they have done in regard to the Land for Settlements Act, notwithstanding the Committee's report. They did not wait for the report to be brought down, but they brought down a Bill under which they amended the Act in the exact direction their Solicitor-General said it did not require to be amended. Surely if the Solicitor-General's law is so good-if he is such an authority on law-it is a most ridiculous thing for the Government of the day post-haste to bring down a Bill amending the Land for Settlements Act in the exact direction he said it did not require to be amended. And I say that should follow in regard to the other disputes. In regard to the money objected to in connection with the "Tutanekai," I say it is a

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highly improper thing that the "Tutanekai" should be utilised for the purpose of conveying a contingent to Australia without the authority of Parliament having been got for that service. It will probably be remembered that the honourable member for Riccarton drew attention to the fact that, while the House last year adjourned on a Saturday, on the Monday following the adjournment the Premier telegraphed to the other colonies, stating that he was going to send a contingent over. He had no authority of Parliament for that; and how he managed to evade the law was by charging the vote to "Marine: Miscellaneous Services." If the Premier had charged this to the "Unauthorised" Account it would have had to come before Parliament, and probably a discussion would have arisen over it. This the Premier did not wish, and it was therefore much easier for the Premier, if he could, to charge it under the heading of "Miscellaneous"; it was easier for him to get the money, bury the vote, and the matter would not have come up again. That is another reason why I urge that it would be better than all systems of audit to have a system of giving publicity to every detail of the expenditure of the Government. But the Premier does not like publicity; he seems to think there is some danger to himself-though I do not know why--in giving the details of expenditure to the House, and therefore he gets into all this sort of trouble under the Public Revenues Act rather than lay the items on the table in "unauthorised expenditure." It is to be hoped that, after a discussion and publicity of this sort, the Premier will see his way to effect his object, if he wishes to make such expenditure, by paying the amount out of "Unauthorised"-because he had a surplus of £43,000 of "Unauthorised" last year which he could have utilised-and allow the details to come before Parliament in the ordinary course, permitting the democracy-as the honourable member for Auckland City (Mr. Napier) says, constitutional government-to rule, and allow the representatives of the people to see how the services of the State are carried out. Mr. NAPIER (Auckland City) .- I wish to make a personal explanation. The honourable member for Palmerston, in exercising his wonderful facility for personal abuse, made this statement. He said that in the exercise of my profession I was accustomed to invent many precedents in the Supreme Court. The statement, of course, is absolutely baseless. I was never guilty of such a discreditable action, nor if I had been, or if any counsel were guilty of the dishonourable conduct of quoting a fictitious case, the honourable member must know that the Judges of the land are sufficiently conversant with the case-law of the Empire to at once refuse to listen to a case where no authentic report was produced, and to visit with the severest censure any barrister guilty of such conduct. Mr. SEDDON (Premier) .- I also wish to put myself right. The honourable gentleman has repeated a statement which I know very well Mr. Pirani he will withdraw when I point out

the facts to him. The section I referred to of the Act of 1878 was the law until repealed by the Act of 1891. Mr. PIRANI .- Oh, no; it was re-enacted in 1891. Mr. SEDDON .- If the honourable member will look at the repeal of the Acts of 1878 he will find in the schedule the Public Revenues Act of 1878. I have had the law searched from then to 1892, and I find that for years the same law existed as we passed in the Act of last session. That is the answer to the honourable gentleman, and from 1892 up to the present day there was an interregnum of two years. Mr. PIRANI .-- You have found that out. Mr. SEDDON .- My statement stands good ; that that has been the law for over twenty years. What I rose particularly for was to refer to a pure fiction, a pure invention of the imagination, to the effect that I had told the member for Wallace that the clause in the Public Revenues Act to which exception had been taken was inserted for the purpose of meeting the case of the increased vote to members. I say, Sir, that I never said anything of the kind to that honourable member. I repeat, that before the House met at all we were advised that an alteration of the law was necessary in the interests of administration, a proof of which I have now in my department. The statement which the honourable member has made was. I understand, made before, and, as the honourable member for Wallace is now present, I would ask him to either confirm or deny my statement. Mr. GILFEDDER (Wallace) .- Seeing that my name has been drawn into this debate, I would like, as a personal explanation, to say a few words. I desire to inform the House that the Premier did not speak to me in reference to the Public Revenues Bill, either before or at any time during its passage through the House. The member for Palmerston made the same allegation in Committee last session as I understand he made this afternoon during my absence; and I then denied it. I can inform honourable members that the Government introduced that Bill without consulting me in any way in reference to it. Perhaps the honourable member for Palmerston thinks they should have done so. And I would further add that no member of the Ministry made any remark to me in reference to the Public Revenues Bill, or to any particular clause in it. Mr. PIRANI (Palmerston) .- Sir, I desire to make a personal explanation, as the member for Auckland City (Mr. Napier) has misquoted me. What I did say was that he had quoted precedents in this case that had no existence- probably as he had done in the Supreme Court. As for the honourable member for Wallace, Mr. Gilfedder, I am sorry he has so short a memory. He told me last session that that clause of the Public Revenues Act was introduced to enable members to get an increase of salary ; and I replied to him at the time, "Why do you not ask the Premier to say so in the House ?" Mr. GILFEDDER .- Absolutely incorrect.

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Mr. SEDDON (Premier.)-I do not wish the Chairman of the Committee or any officer of the House to be placed in a false position owing to my having a paper in my possession that came from the Committee. The statement that was made in regard to it is incorrect. I am in possession only of questions and answers that were put to the Public Trustee and that were sent to me in the usual way to see if the questions as reported were correct. These were sent to me in the ordinary course for correction, and that is why I was able this afternoon to give the whole of the questions and replies. Neither the Chairman of the Committee nor any officer is to blame in the matter. The ordinary course has been followed. Mr. HUTCHESON .- But you are not supposed to use them for that purpose. Mr. HALL-JONES (Minister for Public Works) .- When the honourable member for Palmerston heard the statement of the honourable member for Wallace he should have got up and apologized. Mr. PIRANI .- Not when I know I am right. Mr. HALL-JONES .- A denial has been given, and a free apology is due to the honourable gentleman. The member for Palmerston stated that the Act of 1878 had been repealed, and he led every member to believe that this had been done within the last year or two. Mr. PIRANI .- Oh, no; I said that it had been done by the next Administration. Mr. HALL-JONES .- No, not the next Administration, for that Act was passed by the Grey Government. Mr. PIRANI .- No; the Hall Government. Mr. HALL-JONES .- That is not so; the Hall Government followed. The law remained in force till 1891, and the same principle as regards

any difference of opinion between the Auditor-General and the Government was contained in the law of last session ; the law of 1878 continued up to 1891. A similar provision was brought into operation in 1890, and we practically went on the lines of the legislation of 1878. Statements such as made by the honourable member throw doubt on the accuracy of what was said in the course of his speech, and indicate the reliance that can be placed on what was said. The honourable member was unfair in his remarks with regard to the honourable member for Auckland City (Mr. Napier). He quoted from that honourable member's speech, in which he said that constitutional government did not exist in Parliament ; but the honourable member for Auckland City gave a further explanation of what he meant at that time by pointing out that, under the conditions existing prior to the passing of the Act of last year, constitutional government did not exist, because the Auditor-General had been endeavouring to usurp the rights of Parliament and of the people. He no doubt meant that constitutional government did not exist until that Act was passed. Then the power of controlling the expenditure of money was placed in the hands of the proper persons- that is to say, the members of this House. Now, Sir, I rose chiefly to refer to what had been said in reference to the "Tutanekai." That was an instance to show that really there was an attempt to supersede constitutional government. I have here the appropriations for last year, which distinctly state that a certain sum was voted for the purpose of the Government steamers, and that the purpose for which the money was voted was for the "working-expenses within or outside of the colony." What does that mean ? It means that it is for any work that they may be engaged upon. I do not think any honourable member can say there is any difference between the employment of the steamers in carrying Volunteers within the colony or to Sydney. Here, Sir, we have a distinct vote for a specific purpose authorised by Parliament. Notwithstanding this, the Auditor - General steps in and says, "No; you must charge this to ' Unauthorised.' " The question was referred to the Governor to be decided, and it was settled in accordance with the best legal advice that could be obtained. This House approved of the appointment of a Law Officer, who has to advise on this and other questions ; and what more could the honourable member for Palmerston consider necessary than the advice of such an officer? Then, with reference to the interest on the Bank of New Zealand loan, the honourable gentleman said that this officer had been influenced by the legal advisers of the Public Trustee. In dealing with any moneys that he may have in his charge the Public Trustee can get what legal advice he chooses, and he took legal advice as to what was to be done in this case. I believe there was no consultation between the Solicitor-General and the officers of the Public Trustee ; but, to show how correct the Solicitor-General was in his conclusion, the honourable member told the House that the Public Trustee went to the Committee armed with a whole sheaf of opinions, showing that he (the Public Trustee) had done right, and thus showing that the Solicitor-General had advised rightly also, and that the Auditor-General was wrong in the position he had taken up. The hour of half-past five having arrived, Mr. DEPUTY-SPEAKER left the chair. HOUSE RESUMED. On the House resuming at half-past seven, Mr. SEDDON (Premier) said, I do not intend to proceed with the orders of the day until we get these reports finished. Mr. MASSEY (Franklin) .- Will you move a motion to that effect ? Mr. SEDDON .- No. I am not going to proceed at once with the orders of the day. Mr. MASSEY .- Then, let me, Sir, call attention to Standing Order No. 72 :- "When the House proceeds to the orders of the day on days on which orders have precedence, and after notices of motion have been disposed of on all other days, or on the House resuming at half after seven o'clock, as the case may be, Mr. Speaker is to direct the Clerk at the table to read the orders of the day without any question being put." I submit, from that, that you must call on the orders of the day in the usual manner. 1

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 less the Premier is prepared to move that the Standing Orders be suspended, and that the orders of the day be postponed. Mr. SEDDON .- If that is your ruling I move, That Standing Order No. 437 be suspended. Captain RUSSELL (Hawke's Bay) .- Before you finally decide as to your ruling I would like to

point out that the Standing Order says, " On the House resuming at half after seven o'clock, as the case may be, Mr. Speaker is to direct the Clerk at the table to read the orders of the day without any question being put"; From "is to direct ; " that is mandatory. that it seems to me to be perfectly clear that there is no alternative. Whether it is desirable or whether it may not be desirable, the Standing Order is perfectly clear that the Speaker is to order the Clerk to read the orders of the day without any question being put. And then the last part of Standing Order No. 53 says, " The debate on motions may be resumed after the orders of the day have been disposed of, on motion to that effect being put and carried." That evidently shows that you have to call on the orders of the day and proceed with them. Mr. SEDDON .- We have been in this position before. Captain RUSSELL. - No. Mr. SEDDON .- Yes ; the Speaker has ruled before that you can intercept the orders of the day by motion either to suspend the Standing Orders or to take other business. However, we can get over the difficulty, I think. Let us get these reports done with. I simply ask that that particular Standing Order be postponed. Mr. DEPUTY-SPEAKER .-- My ruling is this: Standing Order No. 437 on this point reads as follows : - " Any Standing Order or Orders of the House may be suspended on motion made with or without notice : Provided that notice extending over two clear days, and specifying the hour at which such motion will be made, shall always be given when practicable ; and that a motion to suspend without notice shall not be entertained unless there be forty members present at the time such motion is made." The Premier having intimated to me that he intends to move the suspension of Standing Order No. 72, in order to allow the debate on the report of the Public Accounts Committee to be continued, it is my duty to count the House. There are forty-six members present ; the Premier, therefore, is in order in moving this motion. The House divided on the question, "That the Standing Orders be suspended, in order to allow the debate on the report of the Public Accounts Committee to be continued." AYES, 39. Fraser, A. L. D. Allen, E. G. Collins Gilfedder Colvin Arnold Duncan Barclay Graham Fisher Bennet Hall Hall-Jones Buddo Flatman Fowlds Hanan Carncross Mills Hogg Tanner Hornsby O'Meara Thompson, R. Parata Ward. Houston Laurenson Tellers. Seddon Smith, G. J. McNab Lawry McKenzie, R. Stevens Palmer. Meredith NOES, 11. Russell, W. R. Lethbridge Atkinson Herries Mackenzie, T. Tellers. Monk Hutcheson Hardy Pirani Lang Massey. PAIRS. For. Against. Carroll Bollard Smith, E. M. McGuire Willis. Haselden. Majority for, 28. Motion agreed to and Standing Orders suspended. Mr. HALL-JONES (Minister for Public Works) .- I must express my regret that nearly a quarter of an hour has been wasted this evening by the Opposition trying to shirk debate on this question ; at any rate, it indicates they recognise the weakness of their case. An Hon. MEMBER .- How much time are you going to waste now ? Mr. HALL-JONES .- I am not going to waste time, and we will soon see if the honourable gentlemen are really as anxious to go on with the business on the Order Paper as they profess to be. Now, Sir, when the House adjourned at half-past five I was referring to the action of the Auditor-General in taking up the extraordinary attitude he did in refusing to allow a vote authorised by this House to cover the cost of the Government steamers, both in the colony and outside the colony, to be expended, and how this was made the subject of a tag on the Public Accounts of the year. Honourable members will realise the absurdity of the position he took up on that occasion when I inform them that for a very similar service the Auditor-General passed the account, and that too was for a service outside the colony. Then, why the distinction? It has been said. Sir, that the reason why objection was taken ! was because the services of these boats for all work were paid for by the various departments. I know something about this matter, and I say it is not correct that all the work of these steamers is paid for. It is well known that there are many occasions upon which the work cannot be set down to any particular department, because it is colonial work, affecting all departments and affecting the colony, and in these cases the charges are not made. In fact. the system of charging to departments only came into regular operation within the last few years. There is no doubt that members who paid attention to our estimates last year will recognise it was a vote for the steamers' services in the colony's service, whether

it was in the colony or out of the colony. Those

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who went to Sydney will also recognise that it was a colonial work. It did not refer to any one department. It was an advantage to the colony to have our men represented in New South Wales, and it was also an advantage to the colony to send them across in the Government steamer. Hence, I must express surprise that any sane man should have taken up the position that was taken up by the Auditor-General. There was no doubt in the mind of the department as to how the money should be charged ; there appears to have been no doubt in the minds of the Public Accounts Committee as to how the money should be charged ; there was no doubt in the mind of the Solicitor-General as to how the money should be charged : and, when the question comes on for decision in this House I think there will be no doubt in the minds of honourable members. The whole thing was done strictly in accordance with law, and with the wishes of honourable members. The member for Palmerston made reference to the interest on the Bank of New Zealand shares, and to the action of the Public Trustee, and used terms that, I think, all members of the House will regret ; and, if the honourable member for Palmerston does not regret having used the words he did, all I can say is that he should do so. The Public Trustee is an officer who holds a peculiarly responsible position. He is the custodian of the affairs of hundreds of families, and yet the honourable gentleman said that officer came to the Committee determined to back up the Government at any price. What did the honourable gentleman bring forward in support of such a statement? The only remark he made to back up his statement was that he came to the Committee armed with a large number of legal opinions, which supported him in the course he had taken, and which said that this money should be paid into the public funds. If he wanted to prove the position he took up was legal, was sound, and on business lines, why should he not produce to the Public Accounts Committee the legal opinions upon which he had acted ? He had been challenged by no less a person than the Auditor-General, and there are the opinions of his legal adviser, which bear out the action of the Public Trustee with regard to the Bank of New Zealand shares ; and they supported the position taken up by the Ministry, by the Solicitor-General, and now by the Public Accounts Committee, and again I venture to say that that opinion will also be supported by members of the House. Sir, when we hear a member of the House occupying a responsible position - especially responsible when he makes reference to officers of the public service-making statements such as the member for Palmerston has made, I say it is painful, and every member of the House, in his own mind, must regret it extremely. That the Public Trustee took the course any man would have taken was borne out by those who supported him, or who gave evidence, or by the legal opinions. The Solicitor-General, the Public Trustee, the lawyers referred to, and the Public Accounts Committee all say in so Public Trustee was right, and that the course taken by the Auditor-General was wrong. The one was founded on law and common-sense, but for the other there was no reasonable explanation. Sir, while he has reflected on the attitude of the Public Trustee, he also made reflections upon the members of the Public Accounts Committee, and I would ask on what grounds those reflections were made? It was said the majority of the members of the Committee were Government supporters. Well, there are members of this House who are Government supporters, and upon that Committee, who would compare in honour and integrity with any men in the colony ; and does the honourable member think that men of that stamp on this Committee would bring down a report that was not in accordance with their opinion? No, Sir; I am sure they would not do so. If the honourable member thinks they would he holds a very low estimate of the character of members of this Chamber, and if he holds such an opinion it is an opinion that no one but the honourable member holds. Then, the honourable member says the Government altered the law, and that they did so in consequence of the Auditor-General having been found to be right and the Solicitor-General to be wrong. Sir, it was a similar statement that he made with reference to the Act of 1878, when he endeavoured to lead this House to

believe that the law had been repealed within a short time of its enactment, and when we afterwards heard that that had been the law for twenty years. And so with respect to the alteration of the law ; there is nothing in the honourable gentleman's statement. If it showed anything, it showed there was an earnest desire on the part of the administrators of the affairs of this colony to remove any doubt there might be with the Auditor-General in reference to the Public Accounts. There have been thirteen tags appended by that officer to the Public Accounts. The honourable member knows all the circumstances in connection with these tags as well as the Auditor-General himself, and he knows in his own mind how harassing they must be ; but he holds a brief for the Auditor-General, and he feels it to be his duty in this House on every occasion to rise not only in his defence, but to place the Auditor-General's views and position before Parliament. The honourable member for Wakatipu said that in the old days the Auditor-General was supreme. If he had only consulted the Acts of 1878 and 1892 he would not have made that statement as to the Auditor-General being supreme. There has for nearly thirty years been provision in the law to meet any doubt that might exist between the Government of the day and the Auditor General. It has always been provided that some authority should decide as between the two parties, so that the machinery of the State might move along without being clogged or hampered. I agree with the member for Auckland City (Mr. Napier) in his statement that Parliament should be supreme. And, if these attempts to interfere

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with the supremacy of Parliament should succeed, I am sure the honourable member for Palmerston would be one of the first to regret it. I hope we will not have many more cases before us such as we have had to-day, and I trust the debate will have shown honourable members the origin of some of the tags which have been attached to the Public Accounts, and that they, like the honourable member's statements, have actually nothing in them. Mr. PIRANI (Palmerston) .- I desire to make a personal explanation. The Minister for Public Works has repeated a statement made by the Premier, that section 9 of last year's Act is identical with section 50 of the Act of 1878. I stated at the same time that section 9 of the Act of last year used to be the law, but was repealed, and was not re-enacted till last year. Section 7 of the Public Revenues Act of 1872 provides :- " In case any difference of opinion shall arise between the Commissioners and the Treasury as to the vote or other authority to which any expenditure ought to be charged, the question shall be determined by the Colonial Treasurer ; but the objections made by the Commissioners shall be by them laid before Parliament within ten days thereafter, if Parliament be then in session, and, if not, within ten days after the next meeting of Parliament." That part of section 7 was repealed, as I stated, in 1878. Mr. SEDDON .- The part as to charging to votes, et cetera. Mr. PIRANI .- Yes, that part. The clause then went on - "Provided that if, in the opinion of the Commissioners, the proposed mode of charge is illegal, the opinion of the Attorney-General shall be taken, and the matter shall then be decided by the Governor in Council." The last part of that section was re-enacted in 1878 without the first part. In 1891-not 1892, as the Minister for Public Works said just now-it was re-enacted ; but last year the whole section-as well as the latter part-was re-enacted in "The Public Revenues Act, 1900." Mr. HALL-JONES .- What I said was that there was provision made in the Act of 1878 for any question in doubt or difference of opinion between the Auditor-General and the Government to be referred. Mr. PIRANI .- Only a question of law. Mr. HALL-JONES .- In these matters nearly every question that arises is a question of law, and that is where the Solicitor-General is more competent to express an opinion than the Auditor-General. Mr. SEDDON .- The honourable member referred to me, and he must admit he was in error because he was under the impression that in respect to questions of law as between the Auditor-General and the Government that has been repealed. I say the law has obtained from 1878 and prior to 1878, and has continued from that time until to-day. There has been an addition in regard to the other point, as to what vote the money should be charged to : that was the ex- Mr.

Hall-Jones tension made last session. The Legislature has recognised that there must be some one, if any dispute arises, to come and adjust it. Whether the right person has been fixed by law or not is for the House to say ; but this power must exist, and has existed for over twenty years. Mr. MONK (Waitemata) .- I should like to add a word or two about statements that have been made with regard to the \$40 bonus. Some remarks have been made in its justification with which I cannot agree. The Minister for Public Works, in support of the statements made by the member for Auckland City (Mr. Napier), maintained that Parliament is supreme, and can constitutionally do what it likes. Now, I claim our trouble is that we have no Constitution in this country ; that is our defect. The only Constitution we have is public opinion, or the will of the majority, and that was violated by the members of Parliament last session ; for public opinion throughout the colony was strongly against the action by which they enabled the Premier to give members this \$40. I can assure the Premier that one of his very strong supporters-he may have seen it in the newspaper himself-described it as "a thievish action." I know that was incorrect. I know the \$40 was paid legally, and I believe, too, what the Premier stated this afternoon - namely, that it was arranged months before Parliament met- Mr. SEDDON .- I said nothing of the kind. Mr. MONK .- Well, somebody stated it during this debate, that it was arranged long before Parliament met last session that the power which the Premier took under the Public Revenues Act should be obtained from Parliament, because the Auditor had refused some of his applications for money- Mr. SEDDON .- In respect to the railway. In regard to the sessional expenses of members, that part had nothing to do with the question, and I never said so. Mr. MONK .- If you did not say so the statement has been made, and the excuse has been made that there was an agreement on the part of members to give the powers to the Premier by means of which he paid the \$40 bonus. That is the position which was taken up-that the Premier used this \$40 bonus as an incentive to them to give him the power by which he gave it. An Hon. MEMBER .- Nonsense. Mr. MONK .- Why. on the platform the Premier's own followers made the statement that it was arranged at a caucus ; and not one of them can say that, when voting for the amendment of the Public Revenues Act, he did not know that \$40 would be paid by reason of the amendment being carried. Hon. MEMBERS .- Who? Absolutely incorrect. Name one. Mr. MONK .- And it has also been said on the floor of this House that if the Premier had not intimated the result that would follow that vote they would not have given him that power. An Hon. MEMBER .- Who said that ?

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it was common property in the lobby. I do not want to be personal, but the understanding was that that power which the Premier was obtaining over the Controller and Auditor-General enabled him to pay that bonus. And everybody knows that it could not have been paid without that power being taken. If the Premier desired to pay it fairly- and I am not contending that the sum was too much or too little-but it is the manner in which it was obtained. It was given in a manner in which most honourable members felt that they could not satisfactorily apply it to their personal use ; even those who kept it would rather it came in a less questionable form. Mr. SEDDON .- You thought to bribe the Council. They were to receive the money ; and then, if given to charitable aid, Government would have to subsidise it at the rate of £1 4s. Yet the gift was from the Government, not the member. Mr. MONK .-- I do not want to detain the House by explaining that matter, but the statement is incorrect. The entire amount was used by a local body, and justly so ; and I should have been laughed at by the Premier if I had left it in the Treasury. I gave it to the local body so that it might be spent equally in the interests of all those from whom I held it had been improperly taken - upon those who opposed me as well as those who supported me. I hold that the \$40, if it was right to give it to members, could have been given in the same way as the Premier gave an increase to himself and his colleagues, and also unnecessarily increased the salary of the Governor. Why should members be subjected to surreptitious treatment he would not inflict on his Cabinet ? Mr. Speaker, I do not wish to say anything unpleasant, but I am afraid that the House had got into that condi-

tion that it was the incentive of \$40 that made honourable members give the Premier that power over the Auditor-General that he now has under the Public Revenues Act. The Premier would never have got it otherwise. am afraid the House has got demoralised. An Hon. MEMBER .- You are getting down. Mr. MONK .- Down, do you say ? No, I want to keep the House and myself up. There are certain principles that are not to be trifled with. The power taken by the Premier has endangered important liberties, and there is no knowing what he will do next. That was an exceedingly dangerous power to be given to the Premier-the power to control the functions of the Auditor-General by enabling him to pay to members money that he could not other- wise have paid. I quite agree with the remarks of the honourable member for Auck- land City (Mr. Napier), that the House can do what it likes. That is so. It can do anything except to make a man into a woman or a woman into a man. Its powers are unlimited. It could even repeal Magna Charta. Sir, we have not a written Constitution, but there is another Constitution in this land which we should try to exalt and improve, and that is public opinion. I say that the public opinion | impersonal sense, but in principle it is correct. VOL. CXVII .- 36. community was not as to whether the £40 was too much or too little, but whether the Premier was endangering the public weal by a dangerous innovation, and they were amazed that the Premier of a British colony could have the temerity as Treasurer to clothe himself with the power to depose or make void the super- vision of the Auditor-General. I do not wish to say anything more upon this matter. I thought it necessary to give reasons for the objections, particularly against the granting of that money. It was a consciousness of guilt that made the honourable member for Auckland City speak as he did, and he it was who first gave the debate the aspect from which I am now dealing with it. There was no statement made by some members who profess to support the Government against the infringement of privi- leges and recklessness of administration. We speak honestly on this side. I do not say any- thing behind the Premier's back that I hesitate to say to his face. I speak in the interest of public liberty, and not from any personal mo- tive. I feel there is a danger to our country if we permit reckless intrusion on those barrier by which great public interests are protected, and if we do not jealously build and support a public opinion that will act as a safeguard, for we have no other. That is the reason why I have made these few remarks. Mr. SEDDON (Premier) .- I wish to say at once that I never said a word that reflected on the honourable member. I only know that he, as usual, signed the voucher, took the money, and said nothing about it. Mr. A. L. D. FRASER (Napier) .- Sir, I did not intend to speak on this question at all, but when I find that an honourable member will do as the honourable member for Waitemata, Mr. Monk, has done a few moments ago- level charges broadcast and wholesale at his fellow-members-1 felt that I, for one, could not have any respect for myself if I did not deny those charges. And when the honourable I member stands here in this Chamber and draws upon his imagination to cast a stigma upon members of this House who do not agree with him politically, I think it is the absolute duty of every one of us to rise and throw the lie in his teeth. Mr. DEPUTY-SPEAKER .- That remark must be withdrawn. Mr. A. L. D. FRASER .- Well, perhaps I have used an unparliamentary term ; but when an honourable gentleman stands up in this House Mr. MASSEY .- Sir, the word objected to has not been withdrawn. Mr. SEDDON .- He said he withdrew it. Mr. DEPUTY-SPEAKER .- I understood the honourable member to say that he withdrew it. Mr. A. L. D. FRASER .-- Yes, Sir, I with- draw it, and I at once express my regret that I used language that I should not. But the honourable gentleman should not have made the accusations that he did. Mr. MONK. - I used the language in an

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member says that, he does not understand the English language when he accuses us of being bribed by the Premier. Mr. MONK .- I used the word " incentive." Mr. A. L. D. FRASER. - The honourable gentleman accused members of having been bribed, and I say there was nothing of the kind. If there was any incentive about that £40, then the honourable member himself took the £40. If it was dishonest of the Premier to give it to us, it was more dishonest still for the honour- able member for Waitemata to receive

what he looks upon as stolen money. Mr. MONK. - I have denied that it was stolen ; but it was improperly obtained. I would scorn to use it for my own use or in any form in which it might be deemed a political bribe. Mr. A. L. D. FRASER .- It is no use the honourable member interrupting me ; because he has brought a hornet's nest about his ears, and will have to suffer the inevitable result. What did he do himself with that £40? He says he offered it to the local bodies of his district. He is accusing us of being bribed, and what did he try to do? He tried to bribe his constituents with this money. Evidently the honourable gentleman is looking forward to another election. I say this : that as far as I know there was no bribery ; there was no bribery by the Premier or by any other member of the Ministry, either in caucus or out of it. Mr. MONK .- I object to that term being used. I never used it. Mr. A. L. D. FRASER .- I hope I shall have your support, Sir, that the honourable gentleman did use that language. Mr. DEPUTY-SPEAKER .- The honourable gentleman denies that he used the language. His denial must be accepted. Mr. A. L. D. FRASER .- I accept it, Sir, recognising that the honourable member's memory is very short. I do not wish to pro- long this debate, but I am perfectly certain every honourable member in this House will appreciate what I am now doing, for we are accused here of giving our support to the Premier and his policy not because we believe in the principles of that policy, but because we can be bought-bribed by filthy lucre. We are plainly accused of acting dishonestly, and, as those charges are "as false as dicers' oaths," I say I would not remain in this House if I could not hurl the charge back. I have been before my constituents since the vote was passed, and have given them my reasons for supporting it; and I admit right here that perhaps it would have been better if it had been brought down by statute ; but, as it was brought down, I say it was voted honestly, without intimidation, without influence being brought to bear on us by any individual member of the Ministry. It is not within my power to say what took place in caucus, but if the Hon. the Premier and my fellow - members permit me to do it, I am perfectly satisfied I could demonstrate that what took place there had nothing whatever to do with Parliament it was little enough to give us for the actual services the members of this House render the colony. And who is at this moment the £40 assisting ? There are honourable members in this House who voted against it, yet carefully take it and put it in their pockets. Were they consistent ? No ; they were as inconsistent as the honourable member who has just spoken. We voted for it and we took the money : but practically we did not get a sixpence of it. Whoever has a copper of their honorarium to themselves? Not one sixpence of the honorarium goes into the pockets of honourable members. It is all distributed in their electorates and throughout the colony generally. Is it suggested for one moment that we are here as professional politicians to make money out of the colony? Take Captain Russell. I take him as an example because he is one that is not prone to flattery ; he voted against that £40. An Hon. MEMBER .- No, he did not. Mr. A. L. D. FRASER .- Well, whether he did or did not, he took that £40, and was consistent and honest over it. But the honourable member who contends that the money was cursed, that he did not want it, and then endeavoured to bribe his constituents with it-that honourable member is not one of those whom I appreciate, or one that I will accept as an authority on the ethics of morality. He took it with both hands, and then tried to make political capital out of it against the Government. He says that he wanted to save the country £40 expenditure, that it was dishonest to vote it, doubly dishonest to take it ; yet he accepted it, and offered it to a local body in the hope of obtaining another \$40 subsidy. This is the unalloyed purity as produced in Waitemata. But enough of this nauseating subject, though, in conclusion, I perhaps should express some regret for having imported a certain amount of feeling into this matter ; but I felt that there was a reflection on me individually as a member of this House, and that must be my apology, if an apology is necessary. Mr. MONK (Waitemata) .- I would just like to mention that whatever the honourable member may say about the matter, he has been making assertions which are not worth contradicting, because it is characteristic of some to make assertions they cannot back up ; but I will assert that on those who know most about me all that he has said will have very little impression. And as to bribing a future election. I

hurl that back on him, not in the coarse terms he used, but I will say emphatically that it is incorrect. Mr. HUTCHESON (Wellington City) .- When this country quits thinking with its belly and resumes the use of its brain we will not want any special pleading or sophistry to let it know that we have got a long way off the track of constitutional government. The Premier said this afternoon, by way of interjection, that no one dared to repeal this Public Revenues Act of 1 1900. I say I would not give my support to any Government that approved of that Act on

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of the conditions of my adhesion that they should at once repeal that Act, which is an iniquitously dishonest Act. Let me show the House what it makes possible. In passing, let me say that I was one who voted against the \$40, and I did not buy support with it nor any- thing else, but paid it back into the Public Account. Honourable members will remember that in 1899, in Committee of Supply, the ques- tion of allowances to Mr. Justice Edwards, then acting as President of the Arbitration Court, was raised. The question was raised as to the irregular manner of the payment of the fees, and this took place. Mr. Lewis was the member who drew attention to it, and he said,- " It was unsatisfactory that the House should be asked to vote these fees. If the Judge of the Arbitration Court were called upon to give decisions when public feeling ran high it was possible pressure might be brought to bear upon members of the House by those interested to reject the vote. The mere possibility of such a thing was revolting. "Mr. SEDDON quite agreed that this ought to be fixed by Act, and this was only a tempo- rary arrangement until they could pass an Act next session." And so on throughout the course of this short debate nine times did Mr. Seddon protest that this was only a temporary arrangement, and would not occur again. Mindful of that fact, when this House was dealing with the Industrial Conciliation and Arbitration Act last session it put a certain provision in section 112 of that Act barring the Governor in council from fixing the fees of the President of the Court. Delibe- rately mindful of the promise that Mr. Seddon made and failed to keep, after nine times rea irming the promise, in clause 112 of the Industrial Conciliation and Arbitration Act it is provided that :- . The Governor from time to time may make regulations for any of the following purposes. Prescribing what respective fees shall be paid to the members of the Court (other than the President) and to the members of the Board." This House had hardly got away from its duties last year before the Governor in Coun- cil gazetted the fees of the President of the Arbitration Court at two guineas a day for every day while hearing the case or travelling to or from hearing the case. Now, I submit, under the present condition of industrial un- rest, that while that provision obtains those fees must be payable every day of the year if the President of the Court chooses to ask for them. The amount of it does not matter, but there is the fact that the Premier was flouting the deliberate will of this House by the agency of that iniquitous provision in the Public Revenues Act, and there is no im- proper expenditure that cannot be made under the provisions of that Act. Mr. SEDDON. - A Judge of the Supreme Court must be the President. You have fixed that ; that is the law. this anomaly : that the President of the Arbi- tration Court in the whole will draw emolu- ments from fees to the extent of half as much again as the Chief Justice of the colony, and for work very much less in importance than the heavy and onerous duties falling to a puisne Judge in criminal and civil cases. That is one of the potentialities of this Public Revenues Act, and there is no sort of control whatever over the irregular expenditure in the present state of the law. Not only has the Controller and Auditor-General been stripped of a certain amount of statutory power, but his office is practically a laughing - stock and simply a matter of ridicule. I would not contend for one moment that the Auditor-General or any other official in the State should be supreme over Parliament or members; but why have we created the office of Controller, and specially called him by that title of Controller and Auditor General, if we did not intend that he should control the financial matters of the colony on certain given lines? I would appeal to the judgment of honourable members, leaving out the personal element altogether, that this Act is undoubtedly a vicious Act. Supposing the present Government, in whom a

majority of the House has still an abounding faith, were removed from office, and some other Ministry got on those benches, and that those same members, or a portion of them, returned to the House in the new Parliament which succeeds. Mr. SEDDON .- If I were leader of the Opposition I would support any Government or Treasurer in maintaining that Act ; no Government would be safe on these benches unless that power is given. Mr. HUTCHESON .- I submit that we find ourselves in this position : As the member for Auckland City (Mr. Napier) said, there is no power in the land superior to the supreme will of the people. But what is the supreme will of the people? Let the honourable gentleman put it to the test next year, and go to the coronation and leave us here, and see whether he will find it again. He will not see us at all ; we shall be lost, and he will not be able to find us. When the extreme power is vested in the hands of one individual, as practically and dispassionately it is now, there are greater safeguards than ever required ; and I say, without giving any official the right to maliciously or factiously put any hindrance in the way of the Government, certainly he ought to have statutory powers enabling him to question the propriety of any payments whatever. When the House comes to remember that last year was granted a 50 per-cent. increase of the "unauthorised expenditure," when the House comes to remember that every possible contingency is provided for in the appropriations of the year, what contingency can possibly arise requiring it to get this unlimited authority in the expenditure of public money. It practically puts the manager of the firm into the position of auditor-the manager of the firm practically sets the auditor at naught, and tells him, " What do you know about it ? You may

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know something about accounts, but you must certify as correct anything I submit to you." It is a farce. I would rather, as the honourable member for Palmerston said this afternoon, see the office of Controller and Auditor-General abolished altogether, and have substituted therefor the necessity for the Government of the day to place full details of the accounts of the colony on the table of this House. There was a time, I believe, Sir, when every item of expenditure was available to members of this House, even down to the bannister-brush and chamois leather for the windows. There was no such thing as a £1,000 for contingencies or £10,000 for miscellaneous. It is true we are told that when the proper time comes we shall get details of the contingencies; but of what avail are they, and what opportunity have members to look into the matter when they are submitted at the moment the estimates are being passed ? Now, this is why I have risen to speak : to merely place on record my most emphatic, my most thorough and real, determination that I would not on any account support any Government, no matter what their other policy may be, unless they agreed to repeal the extreme power that is given to the Government of the day to set aside, to drag, to do to death, the watch-dog of the public purse. And that is precisely what the Public Revenues Act has done for New Zealand. I take notice that the Hon. the Premier did not secure the increase of his own and his colleagues' salaries by vote of the House. He placed it on the statute-book ; he made it law in a constitutional way, so that it might remain. He did not do a like act of justice to honourable members. He placed honourable members in a compromising and humiliating position, so that it was necessary for them to apologize, more or less, and defend a temporary Act they themselves were made to pass. It would have been more becoming and dignified, and more to the credit of the Ministry and Parliament itself, had it been made statute law, and then there could have been no capital made out of it. Now, I would just like before I sit down to make one reference to the speech of the honourable member for Auckland City (Mr. Napier) this afternoon. I was hoping he would be present in the House. It is somewhat tiresome to honourable members to have to suffer the awful hollowness, the thin veneer of sophistry, of the honourable member for Auckland City. In spite of the speech which he was reported to have made in Auckland to his constituents, the sophistry of his words this afternoon-for he used no argument-was protruding like the jibboom of a ship; it was so obvious. He prated about the Constitution, he prated about the sovereign power of the people, he prated about the power of control of

the representatives of the people, and he said, "Why should we not control the finances?" Now, I ask, why do we deliberately make a Civil List? Why do we deliberately fix the salaries of the puisne Judges and other high officers of the land by statute? So that they may not be tinkered with and altered at every whim and Mr. Hutcheson we are to proceed on constitutional lines in this colony in the future that is what this House will revert to. It will not tamper or tinker with Acts that are so important as the Public Revenues Act, but will do what it requires to do in the way of alteration by deliberate statute law. As I have already said, there is not a single law in the whole of our statute-book that cannot now be set at nought and overridden by virtue of this wicked, dishonest Public Revenues Act of 1900. Mr. DEPUTY-SPEAKER .- Before the debate proceeds I would like to say that the report of the Committee has gone missing. Has any member the report in his possession? Mr. NAPIER .- Yes, I have the report. Mr. COLLINS (Christchurch City) .- Sir, the debate of this evening narrows itself down almost exclusively to the discussion of the amendment made last session in the Public Revenues Act, and I should certainly lower myself in my own self-respect if I allowed this debate to pass without expressing my sentiments with regard to the discussion that has been raised. Honourable members may remember that last session I opposed the alteration of the Public Revenues Act. I opposed the second reading, I opposed it clause by clause in Committee, and I opposed the third reading. I have not the slightest desire to import any heated feeling into the debate, and I certainly desire to avoid anything in the shape of personalities; but I must confess that if ever any action disappointed me with regard to the party to which I am allied, and to which I hope to remain allied, it was the action taken last year with respect to the Public Revenues Act; and, although I have listened with great care and attention, I have so far failed absolutely to hear a single reason in what has been said that, to my mind, justifies the action taken last session. I have no desire to utter one unkind word in regard to the Ministry, but, Sir, I must confess that my admiration of the Ministry would have been ten-thousandfold increased if I had heard the honourable the leader of the House this session declare that the action taken with regard to this matter was a mistake, as some other matters are admitted to have been a mistake that were done last year. Mr. SEDDON .- I am more convinced than ever of its necessity: and within forty-eight hours you will probably get another reason why the right of review in case of dispute, and that the Governor should finally decide, should be on the statute-book. Mr. COLLINS .- I cannot conceive of any reason in a democracy that would justify the passing of an Act to enable the Treasurer to meet demands that were barred by statute, and that is really what the Act does. An Hon. MEMBER .- NO. Mr. COLLINS. - If the honourable member says "No," he does not understand the nature of the amendment that was made. A great deal has been said to-night with regard to the speech delivered this afternoon by the member

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for Auckland City (Mr. Napier). I had no wish, and no intention, to follow honourable gentlemen who have criticized that speaker, and neither would I have paid attention to it, but that speech has been taken up and indorsed by the Hon. the Minister for Public Works. The Minister for Public Works has practically said "Yea" to everything the member for Auckland City has said. Now, what was said, and what is it that the Hon. the Minister for Public Works has indorsed? Sir, we are told the pretensions of the Auditor-General were not consistent with a democracy. It is very easy at times to work off a rounded phrase of that kind and imagine that it carries some essential conviction with it, but I would ask the honourable gentleman what he means by the pretensions of the Auditor-General? It is the Auditor-General's duty, I presume, to see that whatever payments are made are made in accordance with the statute law, and surely it is not pretentious on the part of the Auditor-General to refuse payments which he deems are illegal or improper. It appears to me the Auditor-General would be false to his position and wanting in his duty to the democracy if he were afraid to act up to his own conscientious convictions in seeing that payments were properly and legally made. I am not now saying that payments have been im-

and illegally made ; but I will show before I have done that payments could be improperly made under the Act as it now stands. We were told that the Public Revenues Act restored to the House its proper power, and the proper administration of its functions. That is another neatly rounded phrase that appeared to mean something. Parliament had apparently been robbed of some necessary power, and had been denied the administration of its own proper functions. The honourable member must have known when he used those words that it was merely a phrase, and had neither meaning nor effect, and, I might say, it was without sense at the back of it. What does the honourable member mean by restoring to Parliament this power? Are not the statutes upon our law-books the expression of the will of the people through their representatives, and therefore the voice of the democracy? And if a payment has been declared improper by the expressed will of this House-by the expressed will of the people of the colony through their representatives in this House-in other words, if the payment is declared improper by the expressed will of the people-that is, by the democracy-then, are you to find some back-door way by which this money shall be paid ? I have no wish to make a long speech on this matter. In a short time we shall be discussing the estimates. For the sake of argument, suppose the House is asked to vote for the increase of some particular salary. As long as the amount is passed in the class to which it belongs, then full payment can be made of the proposed increase, even though it be opposed to a statute by which the particular salary has been fixed. The Premier seems to think I am wrong. If I am wrong I shall be glad to be convinced that it is so. The Act of last year provides, - "In any case where any payment of an item is provided for in the estimates as passed by the House of Representatives, and is included in the total of a vote in the Appropriation Act, such payment of the said item may be lawfully made, anything in any Act to the contrary notwithstanding." So that, under the Act, as long as that salary gets through under its class, the class being perhaps taken en bloc, the increased amount may be paid, notwithstanding the vote of the House as expressed by statute. Very well, then. Let me remind the honourable gentleman what I am complaining of is this: he raised the point that we were restoring to the House its proper power and functions-that the position before was not consistent with the proper functions and dignity of the democracy. I ask him again, where are the proper functions and dignity of the democracy shown ? Are they not shown in the statutes? Are they not better shown there than in a number of figures in a list which may be passed on a single vote? I say the proper will of the democracy is expressed in its statute law, and when we fix salaries by statute law that law ought not to be infringed. I am sorry that honourable gentlemen have endeavoured from the standpoint, particularly, of this Public Revenues Act of last year, to defend that Act ostensibly in the interests of the democracy. I can assure them that when the democracy understands the position they will not thank them for the indignity they are casting upon it - for this besmirching of the democracy. I have something to say of the democracy itself, and I wish to indulge in no high-falutin' language. But if it is to continue to live and to retain its power and position in the minds and hearts of the people ; if it is to do this, it must be clean in its methods, its hands must be clean, and, above all things, it must avoid any possible suspicion of looseness in dealing with the public funds. It is because I desire to prevent any possibility even of the appearance of dealing loosely with the public moneys that I speak. I do not wish to cast suspicion on any person or party. I have no desire to find a single fault with the Administration ; but I do say, in the interest of the democracy, it is, I think, necessary that those members who hold strong opinions in regard to what was done last session should express their convictions. I have expressed mine. I hope I have done so free from heat or strong feeling. I took strong exception to the passing of the Bill. I have seen nothing since then to lead me to alter my convictions, and I have heard nothing to-day to cause me to do so ; and I sincerely regret, in the interests of the democracy, which honourable gentlemen themselves have sought to invoke in the course of the debate, the action taken in that amending Act which was placed on the statute-book last year. Mr. NAPIER (Auckland City) .- I wish to make a personal explanation in regard to a matter referred to by the

honourable member. He stated, in reference to my remark that the
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proper functions and its proper power in the administration of the public funds, that I gave no explanation as to anything of which the House had been deprived. What I was referring to was that for over twenty years the practice had been by the late Auditor-General to accept the general Appropriation Act as a specific appropriation of the items contained in the estimates voted by the House, and the present Auditor-General had taken a new course of not allowing any item to pass which was voted by this House if he considered it inconsistent with fixed statutory appropriations. Mr. SEDDON (Premier) .- I crave the indulgence of the House to refer to a remark of the honourable member for Wellington City, Mr. Hutcheson. That honourable gentleman said that I had made a promise which I had failed to keep. When he made it I did not have the Hansard at hand, but I have now got it. The point at issue was the voting of fees to Judge Edwards, and I spoke as follows :- "This was only a temporary arrangement, until legislation could be passed next year to provide for a Judge of this Court. He quite agreed with the honourable member for Riccarton that it ought to be done by statute. They ought to have a Judge of the Supreme Court to act as President of this Court, as it gave confidence both to the workers and the employers. If you took an ordinary individual and made him President of the Court, there would not be that confidence. The question now was a temporary arrangement pending the Legislature dealing with the matter next year. The question would have to be dealt with, either by the appointment of another Judge, or the fixing of the salary to be paid for these services. would have to be dealt with by Act." And after the item had been carried in the House I found that the honourable member had himself voted for this improper business. I added that it would not continue further until legislation was provided. I provided that legislation-not the Public Revenues Act, but the amended Conciliation and Arbitration Act. I did this as regards the Judges; and under the Conciliation and Arbitration Act we are to-day paying this additional sum-£2 2s. a day-to him for every day he sits. The Act itself fixes his salary at £1,500 a year. The promise I made I fully conformed to, and this Public Revenues Act has nothing whatever to do with the matter. The whole thing has been legislated for ; and the House passed it, and, what is more, the legislation referred to was agreed to by the honourable member for Wellington City himself. Mr. ATKINSON .- What section of the Act ? Mr. SEDDON. - I refer to the section of the Act that states that the President of the Arbitration Court shall be a Judge of the Supreme Court. It also states that the President must be paid fees. By two Acts of Parliament you say that the President must be a Judge of the Supreme Court, and, secondly, that you must pay him fees. It would therefore be contrary to an Act of Parliament if he were to perform his duties without fees. Mr. Napier I rise by way of personal explanation. The Premier accuses me of having voted for this "improper " thing. First of all, I did not at that time consider it was improper, and, further, here is what I said about it :- "Mr. J. HUTCHESON (Wellington City) said it must have been abundantly clear to the Premier for some time that this climax was coming, through the inability of the Judges to keep up to the work. And it was necessary that a special Judge should be appointed for the work." In that respect I agreed with my then colleague for the city, Mr. Duthie, who said : " It appeared to him that if this money were not voted it would render the Judge dependent on the Ministry, and he would therefore rather vote the money." That was the view I took : but that was not where the offence rose. As I said, the Premier promised then nine times that it was only a temporary expedient. That was in 1899. Last year he did not fix by law any increase of salary at all. On the contrary, in the Act that the Premier has quoted to us the only part that makes reference to the payment of fees is section 112, subsection (S), which says,- "The Governor from time to time may make regulations for any of the following purposes : - "

(8.) Prescribing what respective fees shall be paid to the members of the Court (other than the President) and to the members of the Board." Thus the wording of the Act directly and distinctly prohibits the payment of fees to the President, because it was thought indecent to have a Judge of the Supreme

Court It dependent upon the Ministry or the House for any emolument in the shape of fees. In-tead of fixing by statute the fees of the Judge of the Arbitration Court, he was deterred by Parla- ment, and what the House objected to was the continuance of the sum on the estimates of last year, which the Premier himself repeatedly and apologetically begged the House to let him get away with. Mr. SEDDON (Premier). - I do not know why the honourable member will continue to wil- fully misrepresent. The reason for taking that vote last session was that the Controller and Auditor-General declined to pass the amount. although we had voted it in 1899. It had therefore to be revoted last year. That is why the Conciliation and Arbitration Act was altered. and the Controller and Auditor-General has ! ! since then raised any questions as to the pa :. ment of the Judge's fees. The payments have been made by an Act of the Legislature, and they will continue to be made. Mr. HERRIES (Bay of Plenty). - I went; just like to point out that, with regard to what has been mentioned by the Premier in re: to Judge Edwards's fees, two returns are shown in last year's estimates. The one is a sum of \$500, the other a sum of £331. Mr. SEDDON .- One was in 1899, and :be other was in 1900. AMr. HERRIES .- The sum on the 1 ..

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General was \$500, and there was on last year's estimates a further sum of £331 also for the same thing; and I presume there will be a further sum this year in the supplementary estimates. Like the honourable member who spoke last, the honourable member for Christ- church City (Mr. Collins), I was astonished at the speech made by the member for Auckland City (Mr. Napier). I had always considered him to be a Liberal, because when on the plat- form he has always declared himself a Liberal ; but in his speech to-night he certainly gave utter- ance to the most ill-liberal ideas that I ever heard come from a member of the Liberal party, and that is saying a great deal, because I find some of the Liberal members of this House make the most Tory speeches it is possible to find-of a quite out-of-date Tory kind. I understood the honourable member for Auckland City to say that he supported the Premier's Bill because it would allow a vote of this House to have pre- dominance, and that this House ought to be supreme over all the laws of the land. I understood him to say that. The honourable gentleman prides himself on being a great authority on constitutional history, and if he looks back to the past he will find there have been many conflicts between Parliament and the statute law, as interpreted by the Judges of the land ; and Parliament has always come off second best, and the statute law has been shown to be above Parliament. I presume, from the honourable gentleman's utterances, that in the old days he would have been with Grenville and North in the perse- cution of John Wilkes. He would have been on the side of the iniquitous general warrants ; he would have been against the liberty of the Press ; he would have been for prosecuting the six printers in that memorable case which established the liberty of the Press ; he would have been with Castlereagh passing the famous six Acts ; and, in fact, the honourable gentleman would have been found supporting all the vio- lent votes and deeds of Parliaments, overriding statute laws, and against the liberty of the subject. There is no doubt that under the vicious principle the honourable gentleman has set forth, and which he upholds, more injustice and iniquity has been done than under any other system in the world. The idea that this House has power to override the statute law is one of the narrowest type of ideas it is possible to obtain. Look at past history and see the gentlemen who held those ideas and acted on them. Let him look at Grenville and North, who lost the American Colonies ; let him look at Liverpool and Castlereagh, and he will admit, with me, they were Tories of the narrowest type. One could hardly expect ideas of that kind coming from such a member as the honourable member for Auckland City. One would expect him, as a lawyer, to take the bold idea of Chief Justice Holt, who, in the case of Ashby versus White, proclaimed that the privilege of Parlia- ment could not override the statute law of the land, and that the statute law of the land was every man's palladium of liberty, and the privi- One would have expected an honest Liberal to take that idea. I consider myself a Liberal, and I say that the privilege or vote of this Parliament ought not to override the statute law of the colony, but that the

statute law of the colony is what every man has to guide him, and is passed for that very object, so that the liberty of the subject should not be subject to the whims of a popular Assembly. Mr. SEDDON .- You should not have taken the money then. Mr. HERRIES .- I took the money because it was voted to me, and I do not think we can gain anything by this bandying of words, whether we took the money or whether we did not. I did my duty in this House. I voted strongly against it, and I would again, and as for the Public Revenues Act I should certainly vote to have it repealed, and I think the Premier should have taken the chance to have it repealed this session. I think he will find that the will of the people is against him on this. The honourable member for Auckland City may say that Parliament is above the will of the people - that was his argument, I believe, that the vote of the House is superior to everything else-but he will find that the will of the country will make itself felt in aftertimes, especially in regard to this Public Revenues Act. Now, with regard to the actual question that is before the House, this report, which has been lost sight of. It seems to me that the Auditor-General, in regard to the "Tutanekai," was perfectly within his rights in putting the tag he did. The "Tutanekai" was used to take certain members of the Volunteers over to New South Wales. That is not a service for which the steamer is usually used ; and I say that the Auditor-General, as custodian of the public purse and the watcher for the public -- he is appointed to watch things for the public, and to see that nothing wrong takes place-it is his duty to call the attention of the House whenever he sees anything he considers wrong taking place. Well, I say that using the "Tutanekai" for that purpose was not one of the things for which the "Tutanekai" was bought, and the Ministry recognised that themselves. They put on the Treasury vote an amount for expenses with regard to this visit to New South Wales. If they put on that vote, why not make it a larger one ? Why not make it a vote to cover the expenses of the "Tutane- kai." They put the sum of \$500 in the miscellaneous votes of the Treasury Department for these particular expenses that the "Tutanekai" was used for. If they wanted to do right to the country they would have put the whole sum that was estimated for the "Tutanekai " in that vote, and we would then have known what the total expenditure would come to. But instead of that they hung it up in the Marine vote, where no member would have thought of looking for it. If we had seen the sum of £2,000 on the estimates for the expenses of people going to Sydney we would have had a discussion and inquiry into the matter. But instead of that \$1,600 was put away in the Marine vote.

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the Auditor for calling attention to the fact that in the Marine vote there is an item for the expenses of the Volunteers to Sydney ; and we also find by looking at the correspondence that there is a doubt in the Marine Department as to whether they could apply for it at all, because, first of all, they applied for it as " Legislative visitors and representatives "-that is the term used-and then, when the Auditor raises objection, they say, "Oh, no; we made a mistake ; it was for the carrying of Volunteers " ; and if that was the case why was not the vote charged to the Defence Department? I quite agree with the member for Bruce that the amount ought to be charged and recoverable from that department -- it ought to be recoverable from them now. The Premier said only \$500 was put on the estimates for these expenses. Well, why were not all the expenses occurring put to the same vote? We should see that this sum is put on the present estimates, as that would be the honest and straightforward way of bringing the sum down. Instead of blaming the Auditor for doing the public duty he is put there to do in calling the attention of the House to what he considers wrong, he should be praised ; and this House ought to consider it wrong to manipulate the votes of one department for the benefit of another. Mr. G. W. RUSSELL (Riccarton). - This discussion has ranged so widely that one would almost be justified in regarding it as part of the discussion on the Financial Statement. I was very much surprised, with other honourable members, to hear the remarks made by the member for Auckland City (Mr. Napier). That honourable gentleman, at any rate in the part of the country where his home is, has always taken an active part in Liberal matters, and is regarded as a Liberal leader in the Auckland district. It comes, therefore, with a great deal of surprise to hear an

honourable member who professes to be a Liberal denouncing as he did this afternoon the actions of the Auditor-General, who holds a statutory position, and has been especially placed in that position for the purpose of acting as the watch-dog of the finances of the colony. Sir, what are the questions that have arisen in connection with this matter? In the first place, the Auditor-General objects to the money for the "Tutane-kai's" Sydney trip being charged against the Marine vote, and it is clear, after reading the remarks of the Auditor-General, that he recognises that in spending money on this particular purpose from the Marine vote the Government were contravening the will of Parliament. The member for Palmerston mentioned this afternoon that the sum of \$500 was voted for the representation of this colony at the Federal festivities, and, Sir, I went to my home under the impression that that was the amount that was to be spent. It was with amazement that I found, before I had been home forty-eight hours, that, notwithstanding the fact that the Government had asked for a vote of only £500 for that purpose, the Premier was actually in cablegraphic communication with the authorities. Mr. Herries very large contingent of Volunteers going over for the purpose of taking part in these festivities. Why did not the Premier deal honestly with the House, and tell us when he was asking for that vote that this was only to cover a vote for one or two Ministerial representatives and delegates, and that his real idea was to incur an expenditure amounting to £8,000 or £10,000 in connection with the matter? Well, the honourable gentleman laughs. Mr. SEDDON.- I am laughing at 9.0. you saying it went to £10,000. Mr. G. W. RUSSELL.- I think when the time comes you will be able to show how much it is. If you take the amount down in connection with the unauthorised expenditure; if you take the amount down in connection with the Defence votes, and other votes, and add this to them, you will find it not very far short of £8,000 or £10,000 for the two contingents-the one to Sydney and the other to Melbourne. Sir, I say that the House understood, and the country understood, that the amount of expenses that were to be incurred in connection with the representation of this colony at the Federal celebration was the sum of £500; and it is clear that the Auditor-General desired, when he endeavoured to stick up this money, to emphasize to the country, as the watch-dog of the finances, that the Government had gone beyond the constitutional practice in having taken a vote for only £500, and spending a much larger sum without any authority whatever. I say, in the ordinary course, Governments have to be entrusted with very large responsibilities so far as matters of finance are concerned; and I am always prepared to give to the Treasurer, whatever party may be in power, authority to deal with emergencies as they arise, especially when Parliament cannot be consulted. But where the circumstances are such as they were last October when that vote of \$500 was taken, when the sense of Parliament could be taken on it, then I say it is unfair, it is unconstitutional and improper on the part of the Government to then go and incur a very large expenditure without any authority from Parliament. Now, with regard to the second case in connection with the Bank of New Zealand preferred shares, I am quite prepared to admit that ultimately the colony was bound to recoup itself that \$5,567 in connection with the interest. I am quite prepared to admit that ultimately that money must have come into the consolidated revenue to help to pay interest on the money; but, Sir, the question that was raised by the Auditor-General was as to the legality, and I believe he puts the matter very clearly in Memorandum No. 14, of 1st August, when he says, - "It is generally better to comply with the requirements of the law, even in cases where compliance may be the mere formality that the Treasury seems still to be regarding the payment to the Public Trustee of the money in question." That is the whole point. The Auditor is there for the purpose of seeing that the law is carried out; and surely the Premier is not going

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this colony that men are to go outside the law? Surely he is not going to assert that the Treasurer, or the Judge, or even the common policeman, whatever may be their personal views, are not to be guided by the law? The Auditor-General in this matter has, I say, been endeavouring to enforce the action of the

law, because he has been put there for the purpose of doing so. And, now, what is the proposal of the Solicitor General, Dr. Fitchett ? Why, Sir, the most astounding thing ever I have heard in the way of legal interpretation is when Dr. Fitchett, in order to get the Government into the position that the Treasury wanted to be put into, actually makes a law. It is true that in the Public Revenues Act of last session power was given to the Treasurer to settle disputes between himself and the Auditor. Mr. SEDDON .- We have always had that power. Mr. G. W. RUSSELL .- Yes, you may have always had the power ; but you did not know you had it, and when you got it in the Bill last session you thought you had got entirely fresh power, and you used it very considerably, because cases of this kind have not occurred before. Now, Sir, coming back to what I was saying : Dr. Fitchett, not being able from the law to give the interpretation the Govern- . ment wanted, actually has to make a law, and he says that certain words should be read in. Here is subsection (2) of section 8 of " The Bank of New Zealand and Banking Act, 1895." " (2.) All moneys received for the said repur- chase of such shares shall be paid to the Public Trustee, and applied by him to the redemption, when due, of the securities authorised to be issued by section seven hereof." But Dr. Fitchett says the wording of the clause should be extended by including these words : "to the extent of the total capital sum represented by all" the securities issued under section seven hereof. He admits the words are not there, but he thinks they should be read in. That is the way Dr. Fitchett gets over the trouble. Now, Sir, I come to what I think is a somewhat characteristic attitude of the Right Hon. the Premier. In the first diffi- culty that occurred between himself and the Controller and Auditor - General the right honourable gentleman is as courteous and as nice as he can possibly be. No. 14 of the correspondence reads thus : " His Excel- lency the Governor is respectfully advised to sign the accompanying instrument," and so on ; signed "R. J. SEDDON." That is the attitude the honourable gentleman takes up at that point. But what is the attitude he takes up a little later ? When we refer to paragraph 25, after the correspondence has gone a considerable distance between the Treasury and the Audit, this is the Premier's memorandum : "Get the Governor's order. R. J. S., 24 1901." Sir, I can quite understand what the feeling of the honourable gentleman was when he penned that short, sharp, and incisive order. That, Sir, was the crack not of the party whip, but of the man who held the whip over the Auditor have the honourable gentleman when he gets to this point-possibly his liver was out of order at the time-issuing the mandate, " Get the Governor's order," and the Governor's order was obtained. Now, a good deal has been said in connection with the Public Re- venues Act of last year. Let me say that so far as the speech made by the member for Christchurch City (Mr. Collins) is concerned I entirely agree with it. There were certain machinery clauses of a very important charac- ter in the Public Revenues Act of last session which were absolutely necessary for the carry- ing-on of the government of the colony ; but there were, in addition to those necessary and desirable clauses, certain other clauses which were objectionable. One of those clauses was clause 3, which gives power to the Government under a vote of the House to override statute law. I think that is a most dangerous prin- ciple to be introduced into our legislation. I indorse every word that was said by the member for Christchurch City (Mr. Collins) with regard to the dangerous character of that. If we consider the numerous safeguards that attach themselves to the passing of a statute -- how it has to be introduced, and read a first, a second, and a third time, and passed through Committee, and then passed through the Upper Chamber, where it goes through the same process, each step being a safeguard -can we, as members of the House, feeling the sense of responsibility we ought to feel, say that a vote of this House, passed in the dying hours of the session, is to be allowed to override and set aside all those solemn safeguards and sanctions that are employed in the passing of a statute? Yet that was done by the Act named. And what, to my mind, is the gravest part of the whole thing is the tremendous power placed in the Premier of the colony, whoever he may be, because in the hands of the Premier, as head of the Government, rests solely the right of initiative in connection with these votes. If Parliament as a whole had the power of initia- ting money votes

I would not complain so much; but when I know that the one man in this House who holds the key, who can raise the honorarium of members of the House, who can raise the salary of the Speaker, who can raise the salaries of the Judges - and who can raise the salary of every officer whose monetary compensation is fixed by statute-is the Premier, and that he alone can initiate the vote, I cannot but feel that is a tremendous power to place in the hands of any man, and it is a power that I am not prepared to continue. Something has been said about the repeal of the Public Revenues Act of last session. I am prepared to vote with any man or any party which will go for repealing that power, which will go for repealing the power of the transfer of votes, and which will go for repealing also the power of the Colonial Treasurer to override the powers of the Auditor-General. There is one power in connection with the Public Revenues Act of last year which has not been referred to, but which I shall show honourable

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the power of the Government to transfer votes. If honourable members will look at the Appropriation Account, page 6, under the heading " Public Works Department " -- Mr. DEPUTY-SPEAKER. - I cannot see how that point arises in the discussion which is now going on. Mr. G. W. RUSSELL.-- The report of the Committee is that the action of the Auditor-General in one case was unnecessary, and in other cases the Committee recommends that no action be taken. The whole of the powers that are exercised, and that have been exercised, by the Government, and under which that report is brought down, are contained in the Public Revenues Act of last year. Honourable members have discussed the question of the £40; I am proceeding to discuss one phase which comes under another clause of that Act. The DEPUTY - SPEAKER. - Honourable members have been discussing the question of a clause under which the Auditor-General acted. I cannot allow other clauses to be discussed. Mr. G. W. RUSSELL.- I regret exceedingly that I am not allowed to proceed, because if I had been allowed to go on I would have been able to show that the Government have made very large transfers of votes indeed, and that these have been made under the Governor's order, exercised under the authority of this Act. In fact, without wishing in any way to contravene your ruling, I may point out that the discussion so far has taken place under the power given to His Excellency the Governor in connection with clause 9, as to their being difference of opinion. I proposed to show another case in which there has been a difference of opinion between the Auditor-General and the Colonial Treasurer, and that this transfer has been made under that very section. The DEPUTY-SPEAKER.- If that relates to papers which have been laid on the table the If it does not honourable member is in order. the honourable member is not in order. Mr. G. W. RUSSELL.- I am quoting from B.-2, Appropriation Account. The DEPUTY-SPEAKER.- That is not laid on the table by the Auditor-General under the Public Revenues Act, and is not connected with the report which is now being discussed. Mr. G. W. RUSSELL.- Then, I presume I can only take another opportunity when I shall be in order in discussing these transfers of votes. However, I am very sorry to hear the Premier expressing so much pleasure at my mouth being closed on this occasion. The Premier has been "hear-hearing" in a manner quite delightful, coming from him, and it shows that he is glad I am prevented from saying what I have to say on this matter. Without wishing to weary the Houses I can only say, in connection with the \$40 vote which has bulked so largely in this discussion, I am not going to say anything that ought not to be said; but I think I shall be correct if I were to say that had the salaries of Ministers not been increased last session this £40 vote would not have been proposed. I am not expressing any opinion as Mr. G. W. Russell of members was too much, nor am I going to refer to what my own personal position was in connection with it. An Hon. MEMBER.- Did you take it? Mr. G. W. RUSSELL.- I did; and I have no doubt my honourable friend did also; and I think the honourable gentleman in taking the money was within his rights, as I also was. The money was voted by Parliament, and, although I cannot dispute the legality of the payment, because by the statute I have referred to the passing of the money to me and all honourable members was made legal-no one can say it was not legal.

I see my friends on the Ministerial benches are passing Hansard along to the member for Masterton in connection with what I did. I voted for the second reading of the Bill because, as I said, I considered the Public Revenues Bill was necessary in the interests of the colony ; it was impossible to carry on the finances of the colony, so far as railways and other important matters were concerned, without it. I did not vote for the £40 vote. Mr. HOGG .- Why ? Mr. G. W. RUSSELL .- I will tell the I did not honourable gentleman straight. vote for it because I did not think that £40 should be voted to members in the way it was done. But I will tell the honourable gentleman that there are two members who would bear me out were they present-I was personally waited on by two members, who asked me not to oppose it, and I promised them I would not do so. I kept my promise. Mr. HOGG .- Worse and worse; that was weakness. Mr. G. W. RUSSELL .- That may be. The honourable gentleman is not a pattern of strength as I usually take it. The honourable gentleman can say whatever he chooses. This is the first time I have spoken on the matter. and I say this: I shall not make any promise like that again, and those honourable gentlemen who came and asked me not to oppose the vote I shall put in a position when the extra vote for this session comes down of having to fight for it. Mr. FISHER .- Why not name them now ? Mr. G. W. RUSSELL .- I decline to bandy names across the floor of the House when the persons involved are not present. I can only say this : Regarding what has been said in connection with this vote of £40, and the circumstances that arose for it, if I am to be abused I shall open my mouth a good deal wider than I have ever done as to the circumstances that led up to that £40 vote. Knowing public opinion regarding the matter, the Premier will not dare to do the thing in the same way this time. The Premier is not prepared this session to propose a vote of £40. He knows he has either got to do one of two things-either to let his followers go without the \$40 or bring it down by way of statute. I say the fact is recognised by the Government that they made a mistake last year in the way this was done. Mr. HOGG (Masterton) .- I am very sorry

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indeed, Sir, that a discussion of this kind has arisen at this period of the session. If there is anything which honourable members should avoid it is the recriminations, the charges, and the threats that have been indulged in this evening. I know that some honourable members pretend to have exceedingly clean hands, and now and again they are in the habit of deprecating the conduct of their colleagues ; but if there is anything excessively discreditable in connection with the voting of the money -- which I believe was appropriated by every honourable member to whom it was offered- Mr. PIRANI. - You are wrong. Mr. HOGG .- I am glad to hear that there may be an isolated case. I have been looking in vain for the man who has not taken the money. I hope he will turn up eventually. I say, Sir, that if there is anything peculiarly discreditable in the conduct of any honourable member who has taken something which was spoken of as an inducement to pass a certain Act, the discredit attaches specially to those who, having voted against it, have since endeavoured to wash their hands clean of it in front of the country, and deprecated the action of other honourable members before their constituents, yet have handled the money and made use of it. I would ask, What does the whole of this long discussion amount to? What was the object of the Bill that was passed last session ? What was the difficulty that we had to deal with ? What was provided for in the Public Revenues Act ? Was not that measure virtually the re-enactment of a statute that had been passed over twenty years before ? The provision that so much attention has been paid to this evening is one of a very simple character. Under it, when a deadlock occurs between the Treasurer and the Controller and Auditor-General on a question of law, the Solicitor-General is called in to settle the dispute and get rid of the deadlock. In a matter of that kind, whose opinion should be taken ? Who is to decide a question of law where there is a difference of opinion as to whether a certain amount of money can be legally paid away or not ? Should it be left to the Auditor-General or the Solicitor-General ? I say, Sir, that the Act very properly provides that the opinion of the Solicitor-General,

the legal adviser of the Crown, shall prevail. The Act merely asserts the right of this Parliament when it votes money to see that the votes are fairly appropriated, and that they are used in the way that Parliament intended. It asserts the right of the country to deal with its own revenues, and it provides that the people of the country and the Parliament shall not be placed under the heel of any officer. But, Sir, what does the honourable member for Riccarton say ? He said, " If I am to be abused I will open my mouth wider than I have yet done." I, for one, challenge the honourable member to open his mouth as wide as he likes. What is the meaning of such a threat? Why does he not open his mouth and give us his re-velations ? He refers to two members of this House as having seduced him from giving his vote. I did not know the honourable member was open to seduction before. This innocent member is led away like a lamb to the slaughter. He allows himself to be taken away from the House at the very time when he should have had the manliness to have given his vote for or against the matter that was before Parliament. What does he tell us? That he allowed two members to take him away so that he should not vote on that occasion ! He consented to do a thing which no member who has the courage of his opinions would do, and he leaves a reflection to be cast on every member of the House by refusing to say who were the two members who carried him away captive. If the honourable member had a spark of manliness in his carcase Mr. DEPUTY-SPEAKER .- The honourable member must withdraw that language at once. Mr. HOGG .- I withdraw it, Sir, with pleasure ; and will say that if the honourable member acted fairly towards his colleagues in the House he would not allow a reckless imputation of that sort to remain in Hansard directed against those with whom he has been working during the present session, and for years past. I say it is a very unjust reflection. When the honourable member assumes such an attitude, and asserts that he has been led to do a thing which he now regrets having done, he should be prepared to say who were the members that induced him to do so. But, Sir, what did he do ? He admits that on the second reading he voted for the Public Revenues Bill. He says that the Bill was a measure which should never have been passed. If it was a measure of the kind he declares, and contained the dangerous provisions he referred to, why did he vote for the second reading? And, having voted for the second reading, why does he now come before the House and denounce the measure? I trust there are very few members in the House who having voted for a particular measure would a year afterwards say, " I did something I should not have done. I allowed myself to be carried away at the time, and supported a measure which I now say is objectionable, and that I should like to see repealed." What reliance is to be placed on a member who takes up an attitude like that -- who votes one day for a measure and the next day deprecates it, and says there is something dangerous in it, and if any one would move that it should be repealed he would assist him ? Is that the attitude an honourable member should take up? I am not at all astonished, because if one honourable member is continually wavering in this House from one side to the other it is the honourable member for Riccarton. He has been "everything at times, but nothing long." At one moment he has been an advocate for huge borrowing, and the next time he comes forward and tells us we ought not to borrow. An Hon. MEMBER .- When was this? Mr. HOGG .- Even during this session. Did he not say the Government ought to be satisfied with a million of money for the Advances to Settlers Office, and yet when it was proposed to

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voured to strangle the Bill and prevent any money being voted at all? Is that consistent conduct ? Mr. SEDDON .- It proves the inconsistency of the member. Mr. HOGG .- Of course it does. I am now referring to the Advances to Settlers Extension Bill. I refer to the attitude of the member for I am Riccarton, and not Captain Russell. satisfied the honourable member for Hawke s Bay would never be caught in such a trap. He is too consistent ; he has too good a memory ; he is not a member who oscillates from side to side ; he has that manliness in his composition that compels him to stick true to his colleagues, and not to be continually travelling from one side of the House to the other, denouncing this and that, and casting

imputations against every one with whom he comes into contact. That . has been the attitude of the 9.30. honourable member. You never find him stable in regard to any matter he takes up. He is as unstable as water. He is a persistent rail-sitter, and that is the reason why he has lost his influence in this House. The honour- able member gets up on every possible occasion and deprecates the measures of the present Government. Why? Because the Government refuses to take him by the hand, and because Ministers and members have discovered that he is one of those self-styled independent repre- sentatives on whom no one can depend for a moment. I think time enough has been taken up over this debate. I would have been very pleased if a discussion of this kind could have been avoided altogether. I do not think it is elevating or profitable to indulge in the acrimony that has been displayed this evening. I think we ought to pass on to more important business, and leave debates of this kind severely alone. Mr. MASSEY (Franklin) .- I think, Sir, if the Premier would only admit it, he is sorry now that he did not take my advice, tendered early in the evening, to follow the usual custom of going on with the orders of the day at half-past seven. A great deal of time has been occupied with this debate, and a great many things have been said that would perhaps have been better left unsaid. The debate has taken an unexpected and somewhat acrimonious turn ; but in saying what I have to say, particularly with regard to the £40 bonus, I wish it to be distinctly understood that I do not reflect in the slightest degree on any member or members of this House. Every man, Sir, is the keeper of his own conscience, and the matter of the \$40 bonus is, first of all, a matter between the man and his conscience, and, in the second place, a matter between the member and his constituents. So far as I am personally con- corned-and this is what I want to say-I was not present in the House last session when the Public Revenues Bill came before the House, and when the supplementary estimates came on. Had I been here I should have voted both against the Public Revenues Bill and against the #40 bonus. Mr. Hogg statement which has just been made by the honourable member for Masterton, that 1 de- clined to take the money. But it has been stated by several members to-day that the payment of the £40 bonus would have been possible without the passing of the Public Revenues Act last year. Surely such honour- able members have not read clause 3 of that Act. I will quote it. Clause 3 says, -- " In any case where any payment of an item is provided for in the estimates as passed by the House of Representatives, and is included in the total of a vote in the Appropriation Act, such payment of the said item may be lawfully made, anything in any Act to the contrary notwithstanding, and the said payment shall be deemed to be irrespective of any appropria- tion or limit contained in any such last- mentioned Act : Provided that in no case shall the amount so paid exceed the total sum of the item voted : " Provided further that this section shall apply only to payments which could not law- fully be made if this section were not in operation." That is to say that the section which I have just quoted applies to payments which are fixed by Act of Parliament-to such payments as the salaries of members of Parliament, the salaries of statutory officers, and the salaries of Judges of the Supreme Court. Now, Sir, the salary of members of the House of Repre- sentatives is fixed at \$240 a year, and of the Legislative Council at \$150 a year, and with- out passing the clause I have just quoted it would not have been possible to have paid the £40 bonus, because it would have been the duty of the Auditor-General to have disallowed it : but with the clause I have just quoted the Controller and Auditor-General, a gentleman with whom I am not acquainted personally, but whom I believe to be a thoroughly conscientious man and a good officer, is powerless to prevent abuses. The Auditor-General is a statutory officer, appointed by Parliament to be the guardian of the rights of Parliament, and to see that payments are legally made ; but with the Public Revenues Act of last year the Auditor- General is almost completely at the mercy of the Treasurer for the day. Then, we have heard from a member who ought to know better-a member who poses as a legal au- thority in this House - that an item when passed by this House is equal to a law. Sir, there is no analogy between an item so passed and a law. An item which has been passed by this House becomes part of a vote in the Appropriation Act, and is not again considered by itself; but a law requires

the consent of the three branches of the Legislature—that is, the consent of the Lower House, of the Legislative Council, and the Governor -- and without the consent of all three the law cannot go on the statute-book. An item of the estimates is considered by this House, but is not again considered by the Legislative Council. It simply becomes a part of the Appropriation Bill, which is considered as a whole. But, Sir, that is only

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the House. I heard the Premier, in the early part of the afternoon, contradict the member for Wakatipu when that honourable gentleman stated that clause 9 of the Public Revenues Act had not been law until last year. Perhaps the honourable member for Wakatipu was not quite correct in his statement that it had never been the law, because section 9—and I am dealing with that part of it which refers to disputes between the Auditor-General and Treasurer, and which provides that such disputes shall be determined by the Treasurer and then referred to Parliament—was the law from the year 1872 to the year 1878, and almost in the same words in which it is law at the present time. I want to quote both sections by way of comparison. I am quoting now the Act of 1872, which says,—"In case any difference of opinion shall arise between the Commissioners and the Treasury as to the vote or other authority to which any expenditure ought to be charged, the question shall be determined by the Colonial Treasurer; but the objections made by the Commissioners shall be by them laid before Parliament within ten days thereafter, if Parliament be then in session, and if not, within ten days after the next meeting of Parliament." An Hon. MEMBER.—What is the present Act? That was repealed in 1878. Mr. FISHER.—Finish that section in the Act of 1872. Mr. MASSEY.—I am not dealing with the question of law; I am simply referring to questions which are determined by the Treasurer and referred to Parliament. I will quote from the Act of last year, which says,—"9. In case any difference of opinion arises between the Audit Office and the Treasury as to the vote, appropriation, fund, account, or other authority to which any expenditure ought to be charged, or as to the proper head of revenue, fund, or account, to which any receipt should be credited, the question shall be determined by the Treasurer, and his determination shall be laid before Parliament as provided by section fifty-three of the principal Act: "Provided that if in the opinion of the Audit Office the question involves matter of law, then it shall be determined by the Governor, having before him the opinion of the Attorney-General thereon; and in such case the objection of the Audit Office, the opinion of the Attorney-General, and the determination of the Governor shall be laid before Parliament as provided by section fifty-three of the principal Act." Sir, the two clauses are the same thing in meaning and almost the same in words. Now, Sir, coming back to the section I have quoted from the Act of 1872, that was repealed in 1878, and by whom? By the Grey Government, and when Mr. Ballance was Treasurer, and on the motion of Mr. Ballance. And what an extraordinary position it is that we find that clause re-enacted by whom? By the Government of which Mr. Seddon is the head—Mr. Seddon, the of Sir George Grey. Mr. SEDDON.—That shows consistency. Mr. MASSEY.—It is the extreme of inconsistency. Mr. SEDDON.—He was Treasurer in 1872. Mr. MASSEY.—I know who was Treasurer in 1878: Mr. Ballance was Treasurer in 1878, and he moved the repeal of that clause I have just read. Now, Sir, I have only one more point to deal with. I heard the Premier say there was no one in this House who would dare to repeal the Public Revenues Act. Probably the House as a whole would not repeal it, but I can speak for myself. I say I would be only too glad of the opportunity, and when the opportunity offers I shall be found voting for the repeal of what I consider to be probably the most iniquitous Act ever placed on the statute-book of this country. Mr. ELL (Christchurch City).—Last session, when the Public Revenues Bill came down, I voted against the second reading, and I voted against every division in connection with it. I did so, Sir, for this reason: I saw that certain extra powers were being placed in the hands of the Executive, and that it was placing them above this House. Too much power already is centred in the Executive. For the same reasons that I have voted against the Executive having the power to put any

vote they thought fit upon the estimates, and so over- ride the statute - law, I have for some years now fought for the right of this House to elect the Ministry, in order to have a stronger grip over them. It seems to me, Sir, that it is foolishness to talk about no extra power hav- ing been placed in the hands of the Executive in this Chamber with the passing of this Act, be- cause we have had, not only last session but this session, instances where, when a member has brought in a Bill that dealt with the revenue, even to such a small extent as happened last year -I refer to the Bill introduced by the member for Wellington Suburbs, which involved a loss of revenue of #168 odd-the Colonial Treasurer rose in his place and objected to the progress of that Bill because it infringed the functions of the Cabinet. Sir, do we want any more evidence that there is power above this House in the hands of the Cabinet by the fact of a member of the Government having that power, when even a Minister can get up and protest against a Bill going forward involving the paltry amount of #168 because it interferes with that amount of revenue ? That was the effect in regard to this Bill. Sir, it is all very well to say that these votes come before the House ; but before they come before the House how do they get on the estimates ? They have to be put there by some representative of the Crown, as they are always pleased to term it. We cannot put any vote on ; we cannot move any proposition to increase any vote by any amount. We can only vote to reduce. We cannot place any sum on the estimates with- out the consent of the Crown, and so, to my mind, it behoves this House to very jealously guard its rights and privileges. But, Sir,

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Revenues Act of last session we yielded a power into the hands of the Executive. We had no right to yield it, and I trust the day is not far distant when some of the most important provisions of that Bill will be repealed, so that the Government or the members of the Cabinet will not have the power of placing a sum on the estimates, and so overriding the statute law. I regret that in the discussion that has taken place to-night there has been a personal ele- ment which has introduced a deal of acri- monious discussion and heart-burning, which may, perhaps, sink deeply into the minds of members. It is always a regrettable thing to me to hear a heated and personal debate crop up in this House. Mr. G. J. SMITH (Christchurch City) .- Sir, I did not intend to take any part in the debate to-night, as I was not here when the Act was passed last year, but I would like to say that, so far as the constituency of Christchurch is concerned, I believe the measure meets with very strong disapproval. If I had been in the House when the Bill was going through I should undoubtedly have voted against the provision of the Act which gives power to the Ministry to override the decision of the Auditor-General. I was not a member of the House, however, and therefore had not the opportunity. As regards the question of the bonus of \$40, which has been referred to to-night, I think it is a pity the matter has been brought up. The subject was fought out on the floor of the House last session. Members voted as they felt inclined, and I suppose they have justified their votes to themselves and to their constituents. I do think the Premier ought to give the House a chance this session to reconsider its decision so far as the Public Revenues Act is concerned. If he does so, and the present Act should be confirmed, then his position is strengthened. From the expressions of opinion I have heard in the House, however, I am con- vinced that there are a number of members who regret the vote they gave in connection with the Act last year. I cannot see how the House can possibly justify the passing of three or four of the sections of this Act. The neces- sity has been shown again and again of having the Auditor-General, an officer of the State, who is superior to the Ministry, and whose duty it is to keep the expenditure within legal bounds. Yet. the Parliament of New Zealand has introduced and passed an Act taking away the powers of the Auditor-General, and making it practicable for members of the House, by their own vote, to override the statute law and benefit themselves personally. I cannot con- ceive how it was possible for members of the House to pass such a section, and if I can get the chance of voting in favour of its repeal I shall join with those members who have ex- pressed their opinion against the Act to-night. I was not in the House at the time, and there- fore I had not the opportunity of voting when the

Bill was going through ; but I wish to put on record my opinion that that Act, or those particular sections of it referring to the Mr. Ell passed. Mr. FISHER (Wellington City). - Sir. at last I breathe a sigh of relief. Without rhyme or reason we have been compelled to listen to a purposeless and irritating debate which has wasted the whole of the afternoon and the whole of the evening. We have been treated to another act of "Les Miserables." When those dwellers in caves on the Opposition side of the House emerge from their state of gloom and inflict on us their dismal jeremiads they give me the impression that they have been living continuously on a diet of mustard and water. They make grimaces and squirm with discomfort as if their internals were not in first-class order. Sir, what is the effect of all this discussion? There is absolutely no effect. The benefit is nil. As well put a linseed poultice on a stone horse. Half the debate is made up of personal explanations and recriminations. How does that benefit the Parliament or the people ? The business is to discuss the report of the Public Accounts Committee. We have not discussed the report of the Public Accounts Committee. We have instead discussed all subjects which come anywhere within a thousand miles of the four corners of the Public Revenues Act. We have had a rechauds of the £40 vote of last session, a dispute about the labour legislation and the amount paid to the President of the Arbitration Court, and the Deputy-Speaker, in a thoughtful and timely way, prevented the member for Riccarton inflicting upon us a debate upon the general finances of the country. Let us come to the report of the Public Accounts Committee, and, first, the remarks of the member for Palmerston upon the report. The honourable member said the report of the Committee was not complete because the minutes of evidence were not laid on the table with it. The member for Wakatipu complained that the report had not been presented early enough, and to that the member for Palmerston added that the Chairman was directed by resolution of the Committee to present the report a fortnight ago. No such direction was given. There is no entry of the kind in the minutes. The last meeting of the Committee was held on the 14th August-eight days ago-and throughout the minutes, from first to last, there is no direction in regard to laying the report on the table. I laid the report on the table to-day in deference to a request from the member for Wakatipu, but personally I wished to delay the presentation of the report until the Public Trustee had corrected his evidence, so that I might satisfy the desire of the member for Bruce, who says the evidence should have been laid on the table. Between those two honourable gentlemen what was I to do ? First I pleased the member for Wakatipu : then I displeased the member for Bruce. Is it possible to please these two honourable gentlemen ? Absolutely, no; it is not. The member for Palmerston says the report is a bald report. What did he want? Five distinct cases, as set out in parliamentary paper B .- 19-called Paper No. 59 in the order of re-

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several separate days. In four of the cases, which were comparatively unimportant, the Committee arrived at the uniform decision, " That the Committee sees no reason for proceeding any further in this matter." In the fifth case, the main case, involving a question as to whether the interest-£5,657 10s. 6d .- on a sum of £500,000 should have been paid to the Government or to the Public Trustee, the decision was, " That, in the opinion of this Committee, the action of the Controller and Auditor-General was unnecessary, as the moneys were properly paid into the Treasury." Is that a bald report ? The Committee said all that it was necessary to say. What more could it say? But the member for Wakatipu says the report is a censure upon the Controller and Auditor-General. Why is it a censure upon the Controller and Auditor-General? The Committee merely expresses the opinion that the Controller and Auditor-General was wrong in his contention, and the Controller and Auditor-General must be left to take his own interpretation from that. But has anything wrong been done? The Colonial Treasurer has done exactly what was done by Sir Julius Vogel in 1872. The member for Palmerston admits the historic parallel. It might be argued that because Sir Julius Vogel did something wrong in 1872, the present Colonial Treasurer is not justified in doing the same thing now-that two blacks do not make a white. But that is not the point. The point is,

according to the member for Palmerston, the member for Bruce, and the member for Wakatipu, that the present Colonial Treasurer has done something unprecedented, something heretofore unheard-of, and that the finances of the country and the responsibilities of Parliament are not safe in the hands of those honourable gentlemen. That is the charge. The charge is that the Government ought not to have the power to settle a "difference of opinion"-that the Auditor-General should reign supreme. Now, here is the Public Revenues Act of 1872. I cannot see the least difference in the two positions. The side-note to section 7 of the Act of 1872 is this : "Difference of opinion, how determined," and the section says,- "In case any difference of opinion shall arise between the Commissioners and the Treasury as to the vote or other authority to which any expenditure ought to be charged, the question shall be determined by the Colonial Treasurer." The Public Revenues Act passed by this House last year does not give the present Colonial Treasurer anything like the power given to Sir Julius Vogel. The section goes on to say, -- ".- but the objections made by the Commissioners shall be by them laid before Parliament within ten days thereafter, if Parliament be then in session, and if not, within ten days after the next meeting of Parliament." Now, here is the proviso to the clause, omitted by the member for Franklin because, as he said, it applied only to the question of law. That is a very superficial view. The proviso supplies the key to the whole position. It governs all. It is the master power. It says this :- "If the proposed mode of charge is illegal, the opinion of the Attorney-General shall be taken, and the matter shall then be decided by the Governor in Council." That is identically what is done under the Public Revenues Act of last session. The question is referred to the Solicitor-General and ultimately to the Governor in Council. If any member of this House can see the least distinction in the forms prescribed to be taken by the then Colonial Treasurer, Sir Julius Vogel, and the form introduced into the Public Revenues Act of last session, then that honourable gentleman possesses a microscopic power which would defy the research of any microscope. Then, suppose the microscopic instrument. Act to be defective, suppose it to be wrong in principle in giving absolute power to the Colonial Treasurer or to the Government-as those honourable gentlemen suggest-who is to blame for that? Do we stand here to-day to review the acts of those gentlemen who sit on the Government benches? Not at all. In reviewing the provisions of the Public Revenues Act of last session we are reviewing not the acts of those gentlemen who sit on the Government benches, we are reviewing the acts of the Parliament, for which the members of the Opposition are as much responsible as the gentlemen who sit on the Government benches. No single member-no special body of members-is responsible for the passing of the Act. The Parliament as a whole is responsible, and those gentlemen must share their responsibility; therefore those who rail at the Government for the inclusion of this provision in the Act in reality blame themselves. First of all, the votes must pass through Committee of Supply. There is the first opportunity for objecting to them. The votes are then reported to the House. There is another opportunity for objecting. Then the votes are included in the Appropriation Act. The Appropriation Act is the last Act of the session. It comes before Parliament as a whole for final review, when the whole of the Acts of the Parliament for the session are reviewed by Parliament and the people. So that the increase in the amount of members' salary over and above the amount fixed by special Act is overridden by the Appropriation Act, which is the final decree of Parliament. Where were the objections then? At every stage opportunity was afforded for discussion and ventilation. Yet those honourable gentlemen took the #40 and were dumb. They should for ever after have held their peace. Now we are asked to listen to a rechauffe of all the proceedings of last session-of all the acts in which they themselves took part. We are now asked to join with them in their pious indignation, and to condemn the Government for what I leave they themselves assisted in doing. these honourable gentlemen on the horns of that dilemma. Let us come again to the statement that the report of the Public Accounts Committee is a censure upon the Auditor-General. That is the view only of persons opposed to the Government. I say the provision introduced

was an absolute necessity. The provision was avowedly and designedly inserted to enable the Government to transact the business of the country-to prevent the ordinary daily business of the country from being "bailed up" by the Auditor-General. I have not the least desire to make any attack on the Auditor-General. I speak without the least warmth of feeling, but I say, and I say it strongly and with full deliberation, that the idiosyncrasies of that gentleman are such that it would be impossible to transact the business of the country unless the Government were armed with such a power as is contained in the Act of last session. Now, speaking from a knowledge of the history of this Parliament for the past thirty years, I say there never was a time when the tension between the Auditor-General and the Government was so great. I am speaking now in quite an impersonal sense. I am not speaking of this Government or of this Auditor-General. Sir, we had in the predecessor of the 10.0. present Auditor-General a man of commanding intellect-a man who took a high and broad view of his duties and responsibilities. He did not take out his magnifying-glass to see whether there was a comma here or a comma there. He took from the spirit of the Act its broad interpretation. He applied to the machinery of the Act the hand of a master, so that the Government could carry on the business of the country with justice, with facility, and with ease. In the case of such a man, I would give him all the powers the Act intended him to exercise as a patent officer, with the view of assisting the Government and protecting the Parliament; but I would not confer those powers upon every man, irrespective of the capabilities and the temperament of the individual. I would not grant those powers to a man of peevish nature, who would suddenly call upon the Government to back engines - to stop the machinery of government-in order to consult Parliament upon some pragmatic or pernicky point which any large-minded man would settle in the case of a man in a few minutes. like James Edward FitzGerald, I can understand that he should have power to say "No," as the member for Wakatipu puts it, and that when he said "No" the Government should understand that the interests of the colony demanded that the dictum of the Auditor-General should be respected. I draw a wide distinction between the character of mind and the qualifications of the two men. Now, the honourable member for Bruce, in speaking of the \$40 vote and other votes, said that these things could not have been done except for the alteration of the Public Revenues Act, by which the Governor in Council was allowed to step in and say that certain payments should be made, notwithstanding that Parliament had made no provision for such payments. Sir, it was a wise act on the part of this House to empower the Governor of the colony so to intervene. The honourable member for Wakatipu also told us that the Auditor-General was a person whom Mr. Fisher My contention is that the point of impingement is as to the qualifications and the temperament of the man. We have it said that the Solicitor-General and the Public Trustee are against the Auditor-General. That is true. The Solicitor-General and the Public Trustee are barristers of the Supreme Court of New Zealand. Why are they against the Auditor-General? Is it suggested that they oppose the opinions of the Auditor-General to gratify some personal feeling? Surely that cannot be. They have given their professional opinions with a due sense of their professional status, and without any regard to their personal or private feeling toward the Auditor-General. The fact that these eminent barristers are opposed to the views of the Auditor-General goes to show-and their view is confirmed by other able lawyers - that indubitably the Auditor-General must be in the wrong. And then comes the consideration which ought to guide the House in this matter. It is this: In a nutshell, the Auditor-General declines to accept the decision of any lawyer in this land. What, then, is the position of the Government? They take the opinion of the Law Officers of the Crown. That is of no avail. They are so hampered by these tags and interrogatories which come from the Auditor-General's office that the business of the Government is brought to an absolute standstill. To strengthen their position and to insure that they shall do nothing wrong they take the opinion of eminent counsel outside the Government departments. Well, what effect has that upon the present

Auditor-General ? Mr. SEDDON .- None whatever. Mr. FISHER .- And yet one can plainly see. from what takes place at the meetings of the Public Accounts Committee, that if the Govern- ment-and I am very careful not to give any personal tinge to what I say- if the Government had not incorporated that power in the Act of last session it would have been absolutely im- possible to transact the business of this country with safety to the country. The time of the Public Accounts Committee is wholly taken up with these needless objections of the Auditor- General - and, at the risk of wearying the House by iteration and reiteration, I am careful to say that I have no personal feeling again i the gentleman who holds this office ; but it is these irritating objections, in which few can ste any point or purpose except to cause friction between Government and Parliament, that ute objects to. Then, Sir, I ask if it is right that the business of the country shall be constantly stuck up in this way? If the objections were urged in any wide spirit no member of the Committee would offer the least objection. The member for Palmerston says that the Public Accounts Committee is the Government's public cemetery. I do not see much point in the remark. The Public Accounts Committee is useful in this sense, if in no other : It disposes of these eccentric points which are continually being raised by the Auditor-General ; it enables the Government to go on with the business of

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safety does not lie in the hands of His Excel- lency the Governor, with whom rests the ulti- mate appeal, in whose hands does safety lie ? Sir, I do not wish to weary the House by any further rebuttal of the arguments which have been used, but I say that the objections of the Auditor-General had reached such a stage that the intervention of Parliament was abso- lutely and essentially necessary. I hope the House will not repeal the provision introduced into the Act of last session. Indeed, I go further, and I express my confident belief that the House will not alter that Act. If it did it would be a bad day for the Government and for Parliament itself. As I have said, the only effect of these flimsy objections-for I cannot help so characterizing them-is that which I have already described. We have wasted the whole day in beating the air and discussing objections arising out of the re- port that any level - headed business man would dispose of inside half an hour. These are matters upon which we have sat days and days discussing upon the Public Accounts Committee, and we have now wasted a whole day of the time of Parliament-with what result ? Every officer of the Government whose duty it is to do so has signed every document in connection with these five cases. The trans- actions are completed and the money is paid. Then, what is the use of this unnecessary fuss? It may gratify certain members of this House to support the opinions entertained by the Auditor-General, so that they may harass, worry, and annoy the Government by getting up these recriminatory discussions. As to their usefulness to the country, the benefit is absolutely nil. As to that grand old gag about the composition of the Com mittee, it is probable that we shall hear the last of that about the time when we hear the Angel Gabriel's trump. The House divided on the question, " That the report do lie on the table." AYES, 39. Arnold Hanan Parata Barclay Heke Pirani Russell, W. R. Bennet Hornsby Buddo Houston Seddon Smith, G. J. Carncross Kaihau Colvin Laurensen Stevens Steward Duncan Lawry Field McGowan Svmes Mckenzie, R. Ward Fisher McNab Wilford. Fowlds Fraser, A. L. D. Mills Tellers. Hogg O'Meara Gilfedder Palmer Napier. Hall Hall-Jones NOES, 11. Russell, G. W. Allen, J. Hutcheson Tellers. Lang Atkinson Lethbridge Herries Ell Rhodes Massey. Hardy VOL. CXVII .- 37. For. Against. Allen, E. G. Mackenzie, T. Smith, E. M. McGuire Willis. Haselden. Majority for, 28. Motion agreed to. # GOVERNMENT ADVANCES TO SETTLERS EXTENSION BILL. On the question, That the amendments be agreed to, Mr. SEDDON (Premier) said,-I presume some members will have a few words to say on the third reading of this Bill. I do not think they will allow it to pass without saying something. I myself will not do any- thing to provoke debate, but I do think it is right and proper that I should set at rest some statements that were made in Committee, and show how far all those statements, that were made in good faith, were absolutely wrong, and likely to put

this colony and the department in a very peculiar position. I ought also to say that I was rather surprised, after what had occurred on the second reading, at what eventuated in Committee. Though there were, of course, members who objected to the two millions, there was a general consensus of opinion that one million was sufficient. I cannot say the honourable member for Hawke's Bay was inconsistent. He did not so far commit himself as to say that he thought we could do without anything, or with a very small amount, after what he had stated on the second reading ; but there were some members who distinctly stated that they would be prepared to support a million, and those members, when the Bill got into Committee, we found supporting a lesser sum. Now, I do not think that is fair to the leader of the House, and I think it is likely to prove very embarrassing in respect of so important a question as that of advances to settlers. I will refer first of all to the honourable member for Patea. He said, "I certainly object to the two-million loan which is asked for, but I will not oppose a million loan, because the Act is on the statute-book, and it would cause a great deal of additional trouble to settlers in the back blocks if they could not obtain further advances." What, therefore, the honourable member said on the second reading of the Bill was that he was prepared to support a million loan ; and then we find him voting for half a million. There is a good deal of inconsistency about such a proceeding as that, and more particularly when, as I understand, before his constituents he pledged himself to do his best to support and to promote this Advances to Settlers. Of course, I will not dwell upon that : the member is young and inexperienced, and may have been led astray by the sophistry of some other members. Then I come to a member who is not likely to have been so led astray. On the second reading of the Bill I find the honourable member for Riccarton said, " I only wish to say that, in view of the fact - -

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ing from ? Mr. SEDDON. - From my notes. "-that if the Government is invested by the House with power to borrow one million in addition to what they hold in hand, the effect will be to give them a thorough and an assured finance so far as next year's Advances to Settlers Department finance is concerned, and the probable necessities of borrowers, there is no chance of people coming and asking for money and not being able to obtain it. I shall therefore vote for any motion that may be made for the purpose of reducing the amount borrowed under this Bill to the sum of one million." Now, did the honourable member vote for one million? No, Sir. Although he said it was necessary for an assured finance that a million of money should be taken, we find him voting for the motion of his namesake the honourable member for Hawke's Bay for half a million. So much for his consistency, and as to how much you can rely upon anything said by the honourable member for Ric- He is absolutely unreliable. carton. 11.0. He cannot help it, and I am sure that no one regrets it more than himself. At all events, it is only right I should put on record the honourable member's statement on the second reading of the Bill. and compare it with his actions in Committee. And if any honourable member will look at the votes given in Committee it will be seen he voted not only to reduce the amount to half a million, but that he wished to further embarrass the department, and put it in such a position that it would not be able to raise the money it required. We also found him proposing that we should not borrow more than half a million in any one year. If that had been agreed to, and a favourable opportunity were to arise at the end of this year for raising one million, we were not, according to the honourable member's view, to take advantage of it. I will now take the honourable member's figures, as given by him in Committee and on the second reading of the Bill. He said that between the 31st March this year and the 31st March next year there would be \$795,000 available. The total he gave was \$935,000, less £140,000 of temporary advances, leaving available \$795,000. That was the honourable member's statement on the second reading, and he repeated it in Committee. anything, I think that the sum grew larger in Committee. The fact of the matter is that, when the honourable member commences to deal with figures, they grow with him until he is surrounded by them. He has them from the crown of his head to the soles of his feet, more particularly if their enlargement will tend to depress

honourable members, or to make his arguments conclusive. It seems to me he speaks for the sake of argument, and cares little or nothing for the figures. However, I can only repeat what I said at the commencement of the debate. Some members attempted to make capital against my colleague who is in charge of the Advances to Settlers Well, although he administers Department. I would point out that this is really a question of finance, and, this measure being truly a financial one, I am supposed, as Colonial Treasurer, to know the financial aspect of it. I stated on the second reading, and also in Committee, that there was a sum of £760,000 of the last loan-money against which debentures had not been issued. I spoke the truth; it was absolutely so: but honourable member either cannot or will not realise that you can obtain temporary advances against any advances you have the power to raise, and there have been temporary advances obtained against this amount. An Hon. MEMBER .- What amount ? Mr. SEDDON .- To the amount of £140,000. I told the House there was a sum of \$560,000 available. An Hon. MEMBER .- That will not add up. Mr. SEDDON .- I will show you in a few minutes how it will add up. The member for Riccarton also said that a sum of \$200,000 had gone missing. "If they have that £200,000," he said, "it means they have more money available. They have taken that £200,000 and used it for other purposes." Well, I have already told the House, and I now repeat it, that £140,000, and subsequently amounts up to \$90,000, were advanced to the Advances to Settlers Department for the purposes of the department. I have said so repeatedly, and I cannot understand how it is that members will not understand that. It was not money advanced by the Advances to Settlers Department to any Government department or to the Treasury, but it was money advanced by the Bank of New Zealand against temporary advances, and in anticipation of our raising the £160,000. Some members said they wanted to know about that. I assured the House on the second reading of the Bill that there had been no advance to a department. I said that the money had been used for no other purpose than in the Advances to Settlers Department, and this money has been advanced to the settlers. That is where the money went to; and there is the complete answer to what was stated by honourable members opposite and by the member for Riccarton. There was a further advance of \$90,000, another temporary advance of \$40,000. Now, you see, I put it against myself. There if was an advance of £140,000, then amounts up to \$90,000-that is \$230,000 -- temporary advances made by the Bank of New Zealand to the Advances to Settlers Department, because we did not think it wise or prudent to issue the loan for the full amount available-\$760,000 debentures - permanent loan. The honourable member will see that, with all his astuteness, he lost the run of \$30,000. At all events, I have now brought it down to \$530,001, instead of \$560,000, as I stated. So I was \$30,000 against myself. There was \$760,000 of the unraised loan available that we could have raised; but against that we had a temporary advance amounting to \$140,000.1. and this was made on the authority of short-dated debentures. That reduced the amount

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vance totalling \$90,000, advanced by the reduced it to a million," and my answer is Bank of New Zealand, and it reduced the . "Yes." And why ? amount to \$530,000. Then, I stated further that I thought the total amount available on the 31st March next would be \$49,000. So as to make sure of that, since the House was in Committee I have asked the Superintendent of the Advances to Settlers Office to confirm or otherwise the statement made, and his statement is that there will not be \$100,000 of loan money available, unless further authority is given on the 31st March next. I suppose we shall have honourable members telling us that the head of that important department does not know anything about it. It is a question whether you are to take the Treasury and the head of the department, or the member for Riccarton or the member for the Bay of Plenty and others, who know all about it. Members have the statement submitted to the House up to the 31st March, and it is impossible to know what has been done since ; there is no official record. You cannot alter the facts, which are as I have told you. Then, I was told I might rely on the receipts from repayments, and this amount was put down by the honourable member

for Ha ke's Bay and others at #175,000. What are the facts ? " It is idle to place any reliance on repayments which may be made by mortgagors, as the amount fluctuates in any given month from nil to \$10,000." " A very nice cup of tea," for a big lending department to be dependent on refunds that may never take place, and which the Superintendent of the department tells me vary from nothing to \$10,000. An Hon. MEMBER .- Will you lay it on the table ? Mr. SEDDON .- I do not want to keep anything back from the House. Anything I give the House you may take as being absolutely correct. I have been speaking from the book all along. I cannot understand why there has been any doubt. I am prepared to lay on the table a statement showing that there was loan authorities for only \$760,000 not drawn against on the 31st March last, that there was #140,000 advanced by the Bank of New Zealand on short-dated debentures, that there was £90,000 advanced on short-dated debentures, and from this it will be seen there was \$530,000 available. Having now given the House this information, it will remove, I think, the doubts there were in the minds of honourable members, raised practically by some honourable gentlemen who were trying to make out that we were trying to raise this money to aid the Public Works Fund. the first place, it is almost impossible ; secondly, it was not done ; and, thirdly, it was not contemplated. The whole reason why two millions was asked for was to give a strong finance -- a strong capital account -to the Advances to Settlers Department, showing intending borrowers and the settlers of the country that it was intended to continue this great boon to Captain RUSSELL. - Because you could not get the two millions. Mr. SEDDON .- Well, there is nothing impossible, and had it been that the circumstances at Home would have facilitated my being able to obtain two millions at the end of next year I should, had I so desired, have succeeded in getting it though the House. I know the House, when it is shown to them there is an advantage to finance and to the good of the country that it should be done, would not have been appealed to in vain. But I wish to be straightforward, and in the face of information I received that I was not called upon to disclose-that it was not likely there would be an opportunity for raising the money at an early date, and it would not be to our advantage to have a borrowing-power we could not use-1 voluntarily asked to reduce the amount. Instead of being received as it was, it ought to have been received with pleasure by those who objected to the larger amount, instead of wishing to make out that it was done because of their objections. It does not encourage one to meet members, and I say the treatment I received from some honourable members does not encourage me to repeat the operation. I have done what I believe to be in the best interests of the Advances to Settlers Department. I will conclude by saying that the amount I am asking for is, in my opinion, barely sufficient to meet requirements. Honourable members will appreciate my difficulties- namely, that I do not wish to borrow money to a large extent at the present high rate of interest ; and, not wishing to pay a high rate of interest for our money, we are keeping down the amounts that we are lending. That is what I call business; but when I can get my money at a low rate the amount that we will be lending will be much more than half a million. The Superintendent of the department has been almost like a gigantic steamer lashed to a wharf for some time past. An Hon. MEMBER .- With you straining at the hawser. Mr. SEDDON .- Yes : but the hawser has been manufactured outside this colony, and under circumstances which we could in no way control. The difficulty of obtaining money at a cheap rate of interest in the Mother-country has stopped us from advancing as readily as we otherwise would have done. I was surprised to find myself reported to have said that we could not obtain the money, and that but for that there would be no restriction. Sir I have had no difficulty in obtaining money, but I had in a sufficient knowledge of business to know that it would not pay to borrow money at 4 per cent. for the purposes of the Advances to Settlers Department. and that to do so would be to pull back the benefits ; for all the calculations had been based upon getting money at not more than 8 per cent. If we depart from that principle by lending largely at the higher rate the department would be pulled back to the

extent of the difference, and then all our calculations would be upset. So, while the money was there, it was not considered prudent for us to borrow and lend at high rates. We have therefore refrained from doing so. I repeat that, if securities were going at high rates, people who otherwise would not look at the department would rush it for large amounts ; but the department was not intended for rendering assistance under those circumstances. There must be a certain amount of large loans, but the masses of the people must be considered. If the money went in large loans, and it was borrowed at 4 per cent., it would be bad business. I have had to bear the brunt of the adverse criticism in connection with this matter, but now that honourable members have had my explanation I am sure they will be sorry. We have kept within our limits, and yet we have helped settlers as far as possible. Owing to the abnormal conditions larger demands have been made upon us. With the high interest we should have had to pay for our money, to have given the advances to this increased amount would have crippled to some extent the department, and we had to refuse-and, I think, properly so-a class of investors. It must not be said a slip was made : but, if it was said, it was only a slip of the tongue, and not by me, and that slip was taken hold of by members opposite. The member for Hawke's Bay tried to father it on to me : that the reason we had not advanced on these applications was that we could not get the money. I never said so, and it was not so. We would have had no difficulty in getting the money. It was not on account of that. It was because we would have to pay a high rate of interest, and the applications increased because a high rate was being demanded by the outside money-lending institutions. The position now of the department is this : So soon as there is an opportunity of obtaining the money at a lower rate of interest, we have a number of applications held over, and if the money market was easy the amount lent will be more than half a million for this or for the next year. I think that was the sum calculated. If we increased the amount, and we have less than \$100,000 of loan-money in March next. I say the department would have been crippled if the amendment of the honourable member for Hawke's Bay had been carried. I have put these figures now before the Committee. I have pointed out how erroneous it would have been if members had been misled, and had voted as they were asked to vote by the honourable member. In conclusion. I will say this : that the member for Hawke's Bay, and those who opposed this measure persistently and consistently, have come to this conclusion now, as stated by the honourable member for Hawke's Bay himself in Committee. He said he had opposed the Bill ; that it was now law ; and as it was law, although it was there against his wishes, and he does not believe in it to-day, yet he would not be a party to repeal it. I think that is what he said. Very well, he is not friendly disposed ; and, not being friendly disposed, the less we have where there is a risk, as the honourable member thinks there is a risk - he has that reservation still - the less risk it will feel to me-the less amount I give you the less risk there will be. So he was quite consistent in refusing the amount asked for. I can say nothing more than this : I do believe that, of all the experiments we have tried, this lending to the settlers of the country has been the greatest success. There has been, I may say, no loss whatever. There is at the present time a slight risk. I tell that to honourable members, and I have had to speak plainly sometimes. I think the risk is owing to the fact that the values of land at the present time in this colony are very high. An Hon. MEMBER .- Too high. Mr. G. W. RUSSELL .- The valuations are. Mr. SEDDON .- I tell you the prices that people are paying for the land at the present time, unless our staple products increase in price- Mr. DEPUTY-SPEAKER. - Your time is up. Mr. SEDDON .- Just as I was about to give you an illustration of this my time is up. Captain RUSSELL (Hawke's Bay) .- I will take up a very few minutes ; nor should I have spoken on this occasion had it not been that, having moved an amendment in Committee. it is right that I should place on record why I did so. The Right Hon. the Premier professes to make a moan in that he cannot pass the original Bill which he introduced. I can understand that the honourable gentleman, if he ever indulges in that schoolboy trick of putting his tongue in his cheek, does so now, and laughs at the House, inasmuch as he has "jockeyed " it once more. He knows well enough that practically he has got

his original Bill. It is the same Bill that he introduced, slightly meddled. It is perfectly true that in the 2nd clause we have struck out the word "two" and inserted 1 "one," and thereby the House has been led- I will not say the House, but the world -- has been led to suppose that the Right Hon. the Premier has only got half of what he wanted. If honourable members will read the proviso ! in the Bill as introduced they will see that he has got almost exactly what he wanted before. In the Bill originally introduced there is a proviso that only one million of money should be raised in one year. That proviso is now struck out, but the Premier gets the one million this year, and that is all he originally proposed. The Premier is one of those " artful dodgers " who knows exactly what he wants. and generally manages to get it. It has been very interesting to me to endeavour to follow the Right Hon. the Premier's figures to-night. I am no expert in figures, I admit : but I confess I was more puzzled as to what the position of the funds in the Advances to Settlers Account really is when he finished than when he began his speech. We have heard one Minister put it at \$760,000 ; from another that it is £620,001; from the honourable member who ought to be in charge of the Bill, but is not - the Minister in charge of that department, but who, according,

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that it is \$590,000 ; the Premier told us that it is \$560,000, and the other night he said there were 500,000 liquid pounds available for this Which is right, and which is department. wrong ? Who can tell ? Mr. SEDDON .- All right. Captain RUSSELL .- It may be all right, but certainly I am all wrong when I attempt to understand what it all means. Mr. SEDDON .- Different dates. Captain RUSSELL .- They are all supposed to be balances on the 31st March. That is what made me ask the right honourable gentleman just now if there were any of these figures antecedent to the 31st March. He replied that they were all available on the 1st March. The Premier charged the honourable member for Patea with change of front on this Bill. I do not think there was any occasion to accuse him of change of front. The honourable gentleman may, in all probability, have said what the right honourable gentleman alleges he did say ; but, like all men when they hear the arguments, they learn what the state of the finance is ; and, having learned that there was a large amount available, and that the House was prepared to allow the Government to borrow a further half a million of money, they are led to suppose that it was all the money necessary to acquire for the whole remainder of the year. Then, I was astonished, too, when the Right Hon. the Premier told us that it was "' a nice cup of tea' for a lending department to have to depend upon repayments which came in under the Advances to Settlers Act," and that they varied, I think he said, from nothing up to £10,000 a month. Well, all I can say is this : that if the money is lent upon such precarious security that the department cannot make sure that they will get interest repayments at a definite time, the investments must be very bad indeed, which I am glad to say I do not think is the case. The papers in our possession show-I speak from memory that the year before last there was \$104,473 ; in 1900, £136,533 ; and in 1901, £155,000, all paid in to the department. Surely that goes to prove that, if the ratio of repayments is to continue in proportion to the new loans, the amount of £175,000 per annum for the next two years is a very moderate computation of the amount which will be repaid, and will be available during the year.

11.30. Whether it is paid in the month of January or February, or whether it even comes in so late as the 31st March, the money which has accrued during the previous year will, if we are to judge by experience, be paid within that year, and therefore that money will be available. Well, then, the reason which caused me to move that amendment was my firm conviction that there was sufficient money without borrowing a large sum -that there is no necessity for borrowing one million-and that the sum of \$500,000 is ample to meet all the demands that can possibly come upon the department during the course of the next year, and after that ; and I arrive at that conclusion by the Minister in charge of the department, but upon the returns and papers which are laid before Parliament. Here I would say that I was rather astonished to hear the Premier say that he, being Premier, knows the finances of the Advances to Settlers Bill better than his colleague who is in charge of the department. Mr. SEDDON .- This is a loan Bill, and as Colonial

Treasurer I have to raise the money. Captain RUSSELL. - If the honourable gentleman who is in charge of the department does not understand the finances of the department. I would say that he has no right to hold the portfolio ; and if the department is to be successfully administered the honourable gentleman in charge of it must know the finances of it better than the Premier does now, or it I will inevitably come to grief. However, I take the parliamentary papers which are put into our hands : whether the figures are the same as those quoted by the Minister I do not know, and I do not care ; but it seems to me that any person who wishes to study the finance of the colony ought not to take the spoken words of any Minister, which can easily be wrong, but he ought to examine the authorised returns and tables sent out by the department, and they show that on the 31st March there was £620,000 available. It is perfectly clear that, as far as we can read the returns, that was so. The repayments for 1902 I estimate at £175,000; and, seeing the increase for previous years has been at that rate, upon the extra amount of money which has been advanced during the past year, and will be advanced during this coming year, it stands to reason that £175,000 is a very moderate computation. Then, again, following that up with a loan of £500,000, and a repayment of £175,000 on the following 31st March, 1903- - Mr. SEDDON. - Mr. McGowan says those figures are wrong. Captain RUSSELL. - I disagree with Mr. McGowan, and, as I take my figures from the papers, I think Mr. McGowan is wrong. The figures he himself puts on the table I take to be his deliberately expressed opinion, and those figures show that there have been repayments from year to year in increasing ratio on the amount of the capital invested under this Act ; and therefore I have every reason to believe that that ratio will continue this year-always supposing, as I do suppose, that the investments have been sound. These figures added together give £1,470,000 which would be available up to the 31st March, 1903 ; and I maintain that all the money which is likely to be lent during that period will not exceed £600,000 a year, and so will be sufficient until the 31st March, 1903, and leave at that date at least £200,000 in hand to carry on until Parliament meets. Under these circumstances I maintain that it is perfectly right that we should endeavour to limit the amount. The Premier has tried to explain away the statement he made the other night, in what was unmistakable language, that magnificent securities have been offered to the department which have

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money which have been at the disposal of the department, and I notice that the Right Hon. the Premier was careful in his words. He said no money had been taken from the Advances to Settlers Department and lent to the Public Works Department, that no such thing was ever contemplated, and no such thing was ever done. But the right honourable gentleman did not say money had not been lent to any other departments ; and, unless he will specifically and categorically deny that money has been lent from this department and made use of in any other branch of the public service, I shall stick to the opinion I do hold now most strongly-that the money was not available to be lent on those magnificent-that was the word used-securities, because the Government had loaned the money to some other department, and it was not available for the department to which it belonged. I do not know what other inference can be come to. It is absurd to tell me there was £500,000 liquid, as the Premier said in his second - reading speech, and they could not advance money on the magnificent securities offered. Sir, I think that is all I need say on this Bill. Having debated the matter so long in Committee, I feel it is unnecessary now to debate it at any length ; but I feel sure a loan for a million is unnecessary. Mr. G. W. RUSSELL (Riccanton) .- I take it as a compliment that, while the Right Hon. the Premier professed to throw discredit on my ability to discuss financial matters, he devoted 32106019788246 about three-quarters of his entire speech to criticism upon the position I have taken up, and the figures I have placed before the House in connection with this matter. Sir, we have had a good many versions of the financial position of this department. The Hon. Captain Russell made one statement with which I disagree. He says that the Premier has obtained his wish, so far as his original proposal was concerned. Now, the original proposal of the Premier was that

two millions should be borrowed, and only one million should be raised in the year. That amount is limited to one million, and consequently the Premier is only in a position to raise one million. But had the Premier's original proposal been given effect to, as I pointed out on a previous occasion, the Government could have raised two millions before the House met next year. They could have raised the first million during the currency of the present financial year, and they could have raised the second million directly the present financial year closed ; and therefore, when the House was called together, we might have found that the Government had raised the two millions. Now, Sir, I cannot understand how it can be that these gentlemen who occupy the Treasury benches appear to know so little of the finances of the departments they administer. To me it is astonishing that, with the Premier as Treasurer, dandling on his knee his political infant-the honourable gentleman who is in charge of this Captain Russell tell the same story for two days in succession. Why, Sir, what was the statement that was made-like the Premier, I am quoting from my notes . by those honourable gentlemen when the Bill was first introduced in the second reading ? The Minister in charge of the Bill said, "The present position is this : There is a balance to be raised under the last statute of \$760,000; but there is a sum of \$200,000 already pledged against that amount, and the annual working of the office represents in round numbers about \$500,000." That was the that honourable gentleman's statement : there were £560,000 available, plus £200,000 that had been already pledged, and that the work of the department required \$500,000. In the same debate the Premier said, In reply to an interjection of the member for Bay of Plenty, "Not 'to be raised,' but 9760,000 yet to be raised under the authority of the principal Act, and of this only \$560,000 now remains available for investment on mortgage." Again, the Hon. Mr. Mills interjected, in reply to an honourable member. " I said there were temporary advances against it"; and finally the Premier said, "The amount that was not raised was \$760,000. The honourable member will not find that in the accounts at all. The amount, as I say, not raised was 760,000. The amount available on the 31-t March was only \$560,000." To-night the Premier comes down with yet another statement, and says that the amount unraised was not \$560,000, but was \$530,000. Am I correct in that ? Mr. SEDDON .- Yes. Mr. G. W. RUSSELL .- And the honourable gentleman said that was the position on the 31st March. Mr. SEDDON. - No, I did not. Mr. G. W. RUSSELL .- That was the statement the honourable gentleman made, and the whole argument of the honourable gentleman was on the position as at the 31st March : and yet what do we find? That in the *Giaseite* published on Tuesday we get £30,000 which had not been raised on the 31st March at all, but which has been raised since the beginning of the present financial year, and has been borrowed, the Premier says, from the Bank of New Zealand on short-dated debentures, and, quite possibly, only a week ago. At any rate, I only mention these facts for the purpose of showing, as I have stated, that the figures of the se honourable gentlemen cannot be depended upon from one day to the following. The Premier now tells us a different statement from what he told us when the Bill was up for its second reading on the 2nd August, and also different from what he said the other night in Committee. I expect he did not even know then about the £30,000; he has ascertained it since. Now, the great argument in favour of the two-million loan was that this department required a strong finance, and the Premier charges me with inconsistency in having said that I should not vote for the two- million loan, but for

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remark I made was, "I shall therefore support any motion that may be framed for the purpose of reducing the amount borrowable under this Bill to the sum of one million." But, if the honourable gentleman has come forward and reduced his proposal by 50 per cent., will he not give me a right to the same privilege? The honourable gentleman came down first with a proposal to borrow two millions, and he cuts that down by 50 per cent. Then, when I looked more carefully into the figures than I had been able to do on the 2nd August, when the proposal was first made, and when I have ascertained, as I have done since, what a critical position the colony is in in the way of borrowing that has been going on, I say

that I am not prepared to place in the hands of the Ministry the power to raise so much more money than is absolutely necessary for the purpose of carrying on this department. And now I shall show exactly what the position at the present time is, and, taking the Premier's own figures, I shall prove that the half-million I voted for would have been ample to carry on the department for the next two years. I say that, according to the statements both of the Premier and of the Minister in charge of the Bill, there was in hand on the 31st March unraised moneys to the amount of \$560,000. Now, in connection with that I assert further that during the current year there will be available for reinvestment no less a sum than \$175,000. I arrive at that statement in this way : I hold in my hand H.C. 12, the report of the Public Trust Office, and on page 4 of that report I find that the Public Trustee gives a return showing the amounts withdrawn for reinvestment by the Superintendent under "The Government Advances to Settlers Act. 1894." Now, in the year 1899 there was \$171,000 withdrawn by the Superintendent from the hands of the Public Trustee for reinvestment. In 1900 there was a sum of \$118,000, and in 1901 a sum of \$134,000. These sums have been withdrawn by the Superintendent of the Advances to Settlers Office from the Public Trustee, and are the moneys paid over under the 1-per-cent. payment, plus the interest that is received by him ; and, having no object in leaving those moneys in the hands of the Public Trustee, they are withdrawn for reinvestment in mortgages. Now, since that return was prepared large sums have been lent. For instance, during last year the department lent out \$539,000 ; and I venture to say, therefore, that my estimate of \$175,000 being available from this fund for reinvestment will prove to be correct. If that is the case, and one adds the \$175,000 to the \$560,000, there will be during the current year the sum of \$735,000 available for the purposes of the department. Now, if the House had granted to the department the sum of half a million, that would have given the department during the year ending the 31st March, 1902, the sum of \$1,235,000. Let us assume that the proposal of the Treasurer is correct, and that during the current year he is assuming that going to lend a larger sum. Sir, would leave them, at the 1st April of next year, with \$635,000 to start that year. During that year they will undoubtedly draw for reinvestment from the Public Trustee at least the same amount as they are likely to draw this year—say, \$175,000 again. That would make their total during the year available for purposes of investment as \$810,000. If, therefore, they lend during the year ending the 31st March, 1903, the sum of \$600,000 on the basis of a half-million loan, they will have on hand on that date \$210,000 to carry them on. This short table will set the matter out clearly :—

Available on 1st April, 1901	\$560,000	To be withdrawn for reinvestment during year	\$175,000	...	Half-million loan proposed	\$500,000	\$1,235,000	To be lent during year ending 31st March, 1902	\$735,000	...	Available on 1st April, 1902	\$635,000	To be withdrawn for reinvestment during year	\$175,000	...	\$810,000	To be lent during year ending 31st March, 1903	\$600,000	...	To credit, 1st April, 1903	\$210,000
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Those are my figures, and it will be interesting to see how they "pan out" during the year. Mr. SEDDON. — You admit yourself you would have to borrow next session. Mr. G. W. RUSSELL. — I have not admitted that you will have to borrow, because I am of opinion that even during the following year you will have your moneys coming in for reinvestment, and that therefore you could, if necessary, have enough money to carry you on. Of course, this money is to be borrowed under the original Act, and therefore the Government cannot pay more than 4 per cent. for it ; but, in view of the fact that the Government have already lent \$50,000 under the Advances to Settlers Act, which they have borrowed at 4 per cent., it is not desirable that borrowing-powers should be given to the very large extent that the Government proposed in the original Bill. The Premier said that my proposal to raise only half a million in the course of one financial year was intended to harass the Government. I deny that statement, and say that it is incorrect ; but I also say this : that if the Premier is correct in reducing his original proposal from two millions to one million, surely it was not unreasonable to propose that the borrowing-power in one year should be also lowered to the same extent. Of course, the Premier naturally says he wishes to go on the London market for as large a sum as is possible, at the time most suitable to

himself. Well, there may be some- thing in that argument. But what will be the

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obtains a million of money? If he raises a million during this financial year he will have \$500,000 more than I have stated ; and what is he to do for an investment of that large sur- plus over the actual necessities of the depart- ment ? Are we to assume that the Treasurer can see his way to find a profitable investment for the surplus money-that he can at a flash find some other profitable investment for it ? If so, that fact indicates that there is some- thing in the contention of the member for Hawke's Bay, myself, and other members, that what the Premier wants this larger amount for is to be able to use it in case the necessities of the colonial finance render easily raised accom- modation necessary. And, when you come to think of the enormous amounts of money that are being spent by the Public Works Department, no doubt the Premier, if he intends to keep up this vast expenditure, is wise from his point of view in getting all the borrowing.powers he possibly can, for I can assure him they will be wanted. When we come to think that during the last week or two the Government of this country, with all the national wealth and credit behind it, has had to borrow money in small sums to keep the pot boiling ; when we know that during the quarter ended the 30th June the public works expendi- ture was £417,000; when we know, as we do know, that there are persons who state that they have unpaid accounts which they are ask- ing to be paid, and that those accounts are being held back from payment for an unreason- able period, then I say that the Treasurer must be, and must have been for some time past, in a position to cause a good many anxious thoughts, even to so courageous a man as the Premier un- doubtedly is. The honourable member possesses to a remarkable degree the spirit of buoyancy ; he is not depressed for very long. During the last month or so we have seen members of the Government looking very solemn and white both before and after Cabinet meetings, and then we have seen them suddenly assume an airy jaunti- ness and joviality, and we have known that the snag has been got over. But that there have been some snags to be got over there is no doubt, and every one who has come in contact with those honourable gentlemen must have seen that that has been the case. It has been said by the Premier that, unless you had a large sum in hand, public confidence would be shaken in the department. What is the position at the pre- sent time ? On the 31st March the department had less than \$30,000 in hand. It is quite true they had unused borrowing-powers. I like to prove my statements as I go along, and I am quoting now from page 4, B .- 13, in which the Superintendent of the Advances to Settlers Department states the liabilities on the 31st March. He there says that the cash in hand in the bank is \$29,872; and since then the honourable gentlemen have been able to carry on this department with a small loan of £30,000 ; and yet it is said that the bottom of the whole scheme will fall out unless they have one million at the back of the department. Mr. G. W. Russell £50,000 from the 31st March ? Mr. G. W. RUSSELL .- I express no opinion as to what you have lent : I am not in a position to judge that. But when we have got the parliamentary papers before us I am able to estimate their value just as well as the honour- able gentleman. Of course, one unfair position in which a member of the House is placed who criticizes the Government and the administra- tion is this : that, after he makes his remarks, based upon the only possible data we have in the shape of Government returns, then the Government produce some private memoran- dum from the department which they say upsets the position we take up, but as to the accuracy and value of which we cannot judge. To come back to what I was saying when the Premier interrupted me : the figures show the depart- ment had less than \$30,000 cash in hand on the 31st March. Since then they borrowed \$30,000 from the Bank of New Zealand, as stated by the Premier, and no doubt the bor- rowing process is still going on, and debentures being floated for providing money. These figures bring us up to the 30th June. What is unstated I cannot judge. But I was going to say I differ entirely from the honourable member for Hawke's Bay. He has, as the Premier stated, been on principle opposed to the Bill. I have never been opposed to it ; I always supported the Bill. I have supported it right

through, and I support it still. I say the cheapening of the rate of interest has been a great work, and reflects greater credit on the Hon. Sir Joseph Ward, who introduced it, than some other measures, perhaps, that his name is identified with. I believe the operation of the Act has been good, and that it has been properly administered. I am not like the honourable member for Masterton, who denounced and attacked the Government in connection with their administration of the Act. Let any- body read the Speech he made the other night, and they will find he denounced the department time and again. I have not done that, because I believe they have acted prudently, and are, I think, wise in not lending out a very large amount when they have to pay 4 per cent. ; because it must undoubtedly be the case that, if they pay 4 per cent. and are only charging 4}, they cannot keep the finance of the institution in a sound condition. In the course of his address the Premier referred to a statement made the other night by the Minister in charge of the department, that -- I think the statement was this : that the lending had been restricted because the Government did not consider the time opportune to raise the capital for the purpose of lending it out, although magnit .- cent securities had been offered them. Mr. SEDDON .- I never said anything approaching that, because it was not so. Mr. G. W. RUSSELL .- I did not say the honourable gentleman did. My recollection is that the statement was made by the Minister in charge of the department, and the Right Hon. the Treasurer corrected him. I was not attributing it to the honourable gentleman. I sup-

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ences between the leader of the Ministry and his colleagues. Mr. SEDDON .- I should like to say that I corrected my colleague, who purported to be using my own words. He said I said so; I corrected him, and said I did not. He was under the impression I had said so. Mr. G. W. RUSSELL .- I was going to say that the Premier possesses a talent that the Minister in charge of the department does not possess. He possesses the art of the Delphic oracle, whose answer could be read both ways : and he is very facile in finding out the second way to read it when trouble is likely to happen. His juniors have not been long enough in the Ministry to have learned that art, but it leads to friction from time to time when the Premier has to put the brake on, as happened in the case of his colleague asking the House to deal charitably in its criticisms of the measure. I think, Sir, that I have clearly stated the position that I am taking up. I say that there is no necessity for the raising of the one-million loan. I say, had I known as much when the second reading of this Bill was taken as I knew when it was in Committee, I would not have made the statement that I would even be satisfied with reducing the Government proposal to one million. I believe that the Government require a very tight rein to be kept upon them in connection with their borrowing proposals. I am of the opinion that the colony views with great alarm that this session proposals for borrowing several millions are being brought down by the Government, and I believe that if we are to maintain our credit upon the London market we should restrict borrowing in every possible way to present necessities. The danger to this colony is that, while the former Premier, John Ballance, set up a policy of independence of the London market, under the present gigantic policy of borrowing we are forced to go to the London market. The floating of half a million in the colony is not sufficient for us to be able to realise what Mr. Ballance called structural independence in borrowing, and, if these large sums are to be borrowed, the Government will be compelled to go to the English money-lender. If they are compelled to do that, the result will certainly be that we shall become the slaves of the foreign bondholders, and, instead of working for ourselves and our country, we shall be in the position of the rack-rented tenants of Ireland, who, being in their own country, do not own it, and who, by their energy and labour, provide wealth that is being spent by absentee landlords. We have taxes against absentee landlords; but what is the difference between the absentee landlord and the absentee bondholder. Are they not draining the very life's blood out of the colony ? I say that, if the Government are going to embark upon this large borrowing policy to the extent that they propose, the outcome of it must be that they

will not be able to get these vast sums in the colony. Far better to restrict your borrowing to the smallest amount con- and, having done that, consent to float your loans as far as possible in New Zealand. If I thought there was any question as to the stability of the Advances to Settlers Department, I would stand shoulder to shoulder with the Government in their efforts to borrow any amount required. But I am sure that a half-million will be enough to carry on during this financial year and the next. Having that opinion, I was justified in voting for a half- million loan only, instead of the million asked for by the Government. Mr. HASELDEN (Patea). - Sir, it is not necessary for me to say much after what has fallen from the honourable member for Riccarton. The Premier led us to understand, in moving the second reading of this Bill, that the amount asked for was really required, and I believed, in consequence, that there was very little money left in the Advances to Settlers Office. As a matter of fact, the right honourable gentleman told a deputation from the West Coast that there was very little money in the Treasury of the colony at all, and that statement was published in the newspapers. That being so, I thought that a great hardship would be inflicted on the settlers of the country if the Advances to Settlers Office stopped lending the money. Instead of the office having no money, however, I now find that there is sufficient not only for the purposes of the next twelve months, but for at least a year and a half -that there is a sum of \$500,000 or \$760,000 available to lend to the settlers. When I found that was so I began to change my opinion I will admit ; and not only that, but when the Premier asked in the first instance for two millions, and subsequently came down and said he would reduce it to one million. I began to doubt what he would have done with the two millions if he had borrowed it. I concluded that it would not have been lent to the settlers, but that it would have been used for some other purposes. Therefore I opposed the one-million proposal, and supported the amendment to have it cut down to \$500,000. Now, Sir, I am not much in love with this Advances to Settlers Office. The Premier has stated to-night that the price of land is too high. That I perfectly agree with ; but it is not made high by the rates obtained for its produce. What has put up the price of land ? It is the low rate of interest at which money can be borrowed. I do not say for one moment that we should not pay a low rate of interest ; but the people who under ordinary circumstances would not give more than #10 an acre for land rush in for land at \$20 an acre, because they can get the money at half the rate of interest. That is the reason why land has gone up. And that is the trouble, and will be the trouble for many years to come, I fear. Now, not only did I find that although two millions were asked for only one million was required ; but, what is more, there is a large sum of \$200,000 that nobody can give an account of. The Premier himself only laughed and chaffed members when he was asked to explain it. He would give us

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should be fair, square, and above-board, it is the accounts of the Advances to Settlers Office. But we have got no information what became of this \$200,000, and, just the same, I believe we would get no information about the two millions if it was borrowed. Therefore I think I was perfectly justified in voting against the larger sum being borrowed. I think the sooner this particular office is removed altogether from political control the better, because at the present time the feeling all over the country is that if a man is of the right " colour " he gets an advance, and if he happens to be of the wrong " colour " he gets nothing at all. Mr. MILLS (Minister in charge of the Advances to Settlers Office). - Sir I am rather surprised to hear my young political friend re- iterate the foolish charge that he made the other night in reference to right "colour" being mixed up in this department. I was very much astonished when, to verify his statement, he produced a letter and read it to this House, and although he promised to hand it over to me, and furnish the name of the writer, I have never seen it yet. Evidently the honourable member thought better of it, and considered perhaps it would be wiser not to pass that letter on to me. However, I took down some of the particulars given to me, and, knowing it was casting a reflection on the office itself, I have taken the trouble to look into them, and find out how much truth there is in the statement made by

my honourable friend. Now, let me tell him that it is quite true that a certain party-I will not mention his name -applied for a loan ; and after he had made his application the loan was granted. The mortgage was actually executed, but, would you believe it, when they came to search the Deeds Office they actually found that this friend of the honourable member for Patea, who had sent in his application to the office to borrow this money, had never disclosed that he had a second mortgage over this property. He never even showed it in the application he made. He made a statement which was false, and, if under the Justices of the Peace Act, would have run him quickly in to a certain place I will not name. And, I suppose, this is the man who the honourable member says was refused a loan because he was not of the right "colour." Well, we must all acknowledge that he was not of the right "colour " in another sense, for his " colour was very bad, there can be no doubt about that, and I do not wonder that the Board looked very askance, and will do for a long time to come, at any other application coming from that particular applicant. When they discovered this fact, which had been concealed, he was immediately told that he could not get this advance unless he released his second mortgage. This he was unable to do, and, the property not being worth sufficient to advance enough to release both mortgages, the consequence was that the Board suffered a lot of gratuitous humbugging, to use no stronger term, from this particular applicant. Mr. Haselden aspiring politician, can be forgiven for accepting a letter from anybody or nobody, and coming to this House and making the statement he did the other evening, and which he reiterated this evening, because he lacks experience. Mr. HASELDEN .- There was nothing about the mortgage in the letter : but I am quite prepared to accept the Hon. the Minister's statement. . Mr. MILLS .- All I would say is this: that it would be advisable for my honourable friend to look more carefully into matters of a similar kind, and be very sure of his evidence before he makes such a charge against any department of the Government in this House. I am quite satisfied that before he has been in Parliament two sessions he will begin to realise what the responsibility of his position means far better than he does at present. Well, Sir, he says also that he has been in a financial fog about \$200,000. I do not wonder at my honourable friend being in a mist, because the honourable member for Riccarton, who prides himself on being a financial authority, has been in a thicker fog and mist over the balance-sheet all the time, and he has evidently conveyed some of the misty feeling to the honourable member for Patea. I am sorry that the honourable member for Riccarton is not in his place; but in the meantime, and until he puts in an appearance, I will say a few words with regard to a statement made by Captain Russell, the member for Hawke's Bay. His was very mild criticism, but in his speech on the second reading he said that this money was being raised for " ulterior purposes." Now, an expression of that kind against the Government is not a pleasant one, especially when there is no truth in it. From that he went on to assume that there would be no more money required for making advances by this office beyond the \$500,000 in one year. A much larger which is quite erroneous. sum will be required, as the Premier has explained to-night, for no one can say what will be the amount advanced during the current year if you have the money to advance. It is simply a question of ways and means ; but if the House limits the department to \$500,000 per annum it would simply be impossible for them to lend out more than they had at their disposal. Every good business-man knows that. Therefore, when the honourable member for Hawke's Bay made that statement he was working on the assumption that no larger sum would be required. He also said he had a conviction there was sufficient without any further loan to carry on with until next year. Well, I do not find fault with the honourable member for that, because every one is entitled to have an opinion and hold convictions, and we can agree to differ. But I would point out to the honourable member that he has not got the responsibility of working the department, and I have : so, naturally, I prefer to abide by the advice of the Superintendent, who has the charge of the office and the departmental work, and knows what he is talking about. Now I come to

other night with a very high jump in financial matters ; but he did not clear the hurdle, and ; marks by saying that if what the member for came down like a load of bricks,-what they call "a cropper." He stated that he had discovered a flaw in the last balance-sheet, and that the £200,000 was actually required for another purpose for which the Premier had taken it. Now, has the honourable gentleman supported that bald statement in any way in this House? No. He makes these rash assertions without reflection, and spreads them broadcast throughout the colony without caring a rap what evil they may do. And then he stands up in this House and tells us he is in favour of assisting and maintaining the Advances to Settlers Office. Well may the settlers exclaim, "Save me from my friends." I have known the honourable gentleman some years now, but I have never known him since the first time he came into the House stick to his professions or to one straight path very long. First he gains entrance into the House professing one line of policy and support to the Liberal party ; then he is in veiled rebellion the next session ; and he is in open rebellion the third, but doing no good by his criticism, and is left out in the cold at the next election Mr. SEDDON. And then he gets a spell. Mr. MILLS .- Yes, and that may come again very soon ; but, at any rate, that is the position. And yet the honourable gentleman assumes to lecture men who have been in the House so long, and borne the heat and burden of the day for so many years consecutively, and ought to know something of what they are talking about. An Hon. MEMBER .- You ought to. Mr MILLS .- Exactly, and I profess to do so. At any rate, I am quite satisfied that the member for Riccarton cannot teach me anything in respect to these or any other figures. Mr. HERRIES. - The Premier does not think so. Mr. MILLS .- Yes, the Premier does. The only difference was as I explained the other night. I was informed by the head of the department that \$760,000 was the balance of the loan we were empowered to raise, and the Premier has given the same figures to-night ; but the head of the department said there was about \$200,000 advanced against it. I tell the House to-night, as I told members the other day, that the \$200,000 was not all a liability as at the 31st March. I was addressing the House in August, nearly five months later, and speaking generally when the matter was brought up on the second reading. The same figures that were quoted by the Right Hon. the Premier to-night were quoted by me then, with regard to the sum that was actually the true balance, but not on the 31st March. Then, I took down the figures the member for Riccarton gave, and I | honourable gentleman should study and learn was referring to them when I was speaking. He has given the same figures again to-night, and I was rather astonished that the senior member for Christchurch City (Mr. Collins) should twit the Premier and myself with not having the correct figures, when I was simply | he came to this House. I will not quote the ; the member for Riccarton. I prefaced my re- Riccarton said was correct, and we did not borrow any more money, there could then be only about \$235,000 at the end of March, 1902, and that calculation only left the bare sum of \$500,000 to advance on mortgages -- nothing for expenses in raising the loan, nothing for the Assurance Fund, and nothing for departmental expenses. I did not give my own figures at all at that time; but the member for Christchurch City seems to have thought it was so. However, he fairly acknowledged to me he was wrong on my showing him the figures as I took them down ; and therefore I say now, and I say it emphatically, that the figures given by the member for Riccarton are simply misleading- he misled himself and tried to mislead this House; and if the honourable member makes such egregious miscalculation for only one year, where will he get to over a longer period, and I must certainly decline to pay any attention to them. We must make provision for a twelve-month in advance. Never once in his speech did the honourable gentleman allude to the cost of raising this money, or the Assurance Fund which has to be provided, and the departmental expenses ; he said nothing about them, as if they meant nothing. The honourable gentleman left all these important items out, and then asks Parliament to accept his statement of accounts in preference to the audited balance-sheet as certified to by the Auditor-General. Can anything be more absurd ! An Hon. MEMBER .- How much ; is it not under \$30,000 ? Mr. MILLS .- No : the amount for each of these items is considerable, and will mean a large sum in the

aggregate, thus reducing the balance considerably at the 31st March, 1902 ; and we must allow a reasonable time for raising the new loan ; therefore I think those members who profess to know all about these financial matters should, at any rate, have given the figures to the House and shown they were dealing with a fair balance-sheet and quoting from both sides properly. Well, Sir, the honourable member for Riccarton then twitted us with being inconsistent. Well, I think it comes with very bad grace from the honourable member for Riccarton to rise in this House and charge any other honourable member with inconsistency. Why, the very name of the electorate that he represents has somehow got converted into a new term. simply because those who know him best think he would represent " Rickety " much better than Riccarton. And to hear him speak about consistency : why, we might as well expect to hear something about loyalty from him very soon ! I think the his lesson better, and not come here and lecture this House about consistency or anything of that kind until he has proved himself capable of faithfully representing and carrying out the professions he made to his constituents before

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church, because honourable gentlemen are as familiar with it as I am ; but if the honourable gentleman will throw harsh terms across the floor of this House it is simply a matter of necessity to contradict him. Then, Sir, he went on to say that the Government had met with some snags lately which were difficult to get over, and he said that, watching the faces of the members of the Government, he noticed them go pale and red by turns. Well, I am sorry to say I think the honourable gentleman has got past that stage : I do not think he could blush ; but at the same time I believe there are a few political snags in this House, and the honour- able gentleman represents them very well. These are the only snags which trouble us, and it will not be for very long. The honour- able gentleman finally concluded by saying he supported the Bill. Well, if any one reading the speech of the honourable gentleman can say that it conveys consistent support of the advances - to- settlers policy I shall be more than astounded, because everything the honourable gentleman said has been practically against the measure and the office, or other- wise trying to kill the Bill with kindness. The honourable gentleman could do nothing but try and pull the Bill and balance-sheet to pieces, but without success. Then, to crown all, he wound up by saying he was always in favour of giving these advances to settlers. Mr. G. W. RUSSELL. - Sir, I wish to make a personal explanation. The honourable gentle- man is misquoting me. Mr. MILLS .- I he honourable gentleman can explain when I have finished. If that is the kind of assistance the honourable gentleman gives to policy measures of the Government he was elected to support, I am quite satisfied those who are true members of the Liberal party are far better without him. That is unquestion- able ; and therefore he and I will agree to differ in opinion ; but I should like to see in future a little more consistency on the part of the honourable member, and I hope that his future actions will confirm us in the belief that he has seen the error of his ways and intends after this to be more " consistent." Mr. LAURENSEN (Lyttelton). - I have heard it said that if a man has got nothing to say he will take his full half-hour to say it ; that if he had perhaps something worth saying he will say it in twenty minutes ; but that if he has something that he has thought over and boiled down, so that it is really worth listening to, he can say it in five minutes. Well, I intend to endeavour to be one of the latter. We have heard a great deal of argument against sup- porting this Bill, and have had masses of figures put before us. We have been told of \$500,000, and of \$760,000, and of accrued interest and sinking fund \$175,000 for two years, and of \$500,000 borrowed, and so on-all to prove that there is no need for more than half a million of money to be granted to the Government to carry on the Advances to Settlers Office. Now, putting all these things on one side, what are the facts of the case? Some seven years ago Mr. Mills determined to advance money to settlers under a special Act passed for that purpose, and to take power to borrow \$3,000,000 to enable them to carry on the functions of that office. That Act has now been in force something over six years, and during the last year the sum advanced amounted to between \$500,000 and £600,000, and the applications are steadily increasing.

and the Government now come to us and say, " We want power to borrow another million pounds." It is admitted, according to the Government's own statement, that on the 31st March they had \$760,000 in hand, and now they ask power to borrow one million ; and they assure us that they will not put the loan on the London market until an opportune time arises. Now, if they are not to be trusted with that discretionary power they are not fit to sit on those benches, and so I can understand the attitude taken up by our friends of the Opposition, who say they will not allow more than half a million ; but, honestly, I do not understand the attitude taken up by so-called Government supporters such as the honourable member for Riccarton, who say they will not give power to borrow more than half a million. The Premier was very severe upon the honourable member for Riccarton, and the honourable member, in reply, called the Premier a "buoyant " man. Now, I do not know what he means by a "buoyant " man, but I think the honourable member for Riccarton might be best described by saying that he is an ambidextrous politician. We know what that means. a man who can use his right and his left hand with equal facility, and sometimes we really do not know which hand the honourable member for Riccarton is using. Now. as far as the present question is concerned. I am going to support the Government's application to get another million pounds. The honourable member for Riccarton delivered a speech on the second reading of this Bill, and I could not help being struck with the emphatic force with which he said that the Government should get an assured finance, that an assured finance required a million ; and now, though he has seen no fresh figures, he comes and says that he will only grant them half a million. I cannot see the reason for such a lightning change. As far as I am concerned, I am going to vote for the whole million, because I believe the Government require it at this time. I can, however, hardly help saying that I think it is time we began to realise that the time has come when we should borrow money not outside but within our own borders. The honourable member for Hawke's Bay made a remark the other night that made me look up some facts and figures. He said it would be almost worth while to find out how much we have spent in the way of paying interest during the past quarter of a century. I have looked up the blue books for 12.30. the last twenty-six years, and I find we have paid in that time \$40,238,701 : or, in other words, if we add to that sum interest and compound interest, we would have an amount equal to the whole of our national debt, with some

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fact stares us in the face, and when we also have the encouraging fact that the banks of the colony have now lying at credit and at fixed deposit a sum of seventeen millions sterling, and that the Post-Office Savings-Bank has deposits of over six millions sterling, many of the sums bringing in not more than 2 per cent., I think we might with reason expect to raise money within our own borders in a very simple way indeed. The Government could easily take on themselves the duty and the responsibility of issuing State notes. I know with what a howl of derision this proposal will be received by the average Conservative. The old story of the printing-press and the bale of paper will be thrown at us again ; but, Sir, this will not do away with the fact that the proposal would be a success, by which money would be saved to the country. We would on future moneys raised save the interest we have now to pay annually - interest that is increasing from year to year. Sir, at present there are notes to the value of \$1,400,000 circulating throughout New Zealand, and I believe the Government could easily have at least two million notes in circulation. We could have behind that circulation a gold reserve equal to one-sixth of that note issue ; and if we did this we would have our loans issued on a gold reserve, which some people insist so strongly on. But, Sir, I think we would not require the gold reserve. All we would require would be to have the State behind our note issue. These notes would be legal tender for paying our taxes, Customs duty, and for paying all the Government charges we are paying every week ; and with such prospects I ask if it is not time the Government cast about them and realised that. instead of going to the London market. hat in hand, to borrow money, we should raise it within our own borders in a more rational manner than we have

hitherto been doing. At one time New Zealand was a country that was undeveloped and struggling, but every year the wealth of the population is increasing in an extraordinary degree, and, that being the position, it is surely not unreasonable that we should begin to press on the Government the necessity of facing the advisability of raising our loans by note issue, and also by raising them, with the Government State security behind them. from our own people. I do not wish to say any more on the subject. Members have already listened to a number of speeches of half-an-hour's duration- speeches the thought in which could have been easily expressed in five minutes ; and, that being so. I will not at this late, or, rather, early hour further detain the House. Mr. MASSEY (Franklin) .- Sir, the last speaker commenced his remarks by saying he intended to support the Bill : but I think nearly the whole of his arguments were against it. He said he was opposed to borrowing ; at all events, that he was opposed to going on the London market for money, and that is exactly what is proposed in this Bill. The measure we are now considering gives the Colonial Treasurer authority to go on the London market for a loan of | The Treasurer has made it known that he will a million. In one respect I propose to imitate the honourable member. I know that honour- able members are tired, and I do not wish to keep the House long. We have had a great many sets of figures submitted to the House in connection with the Bill. One set was submitted by the Colonial Treasurer, another by the Minister in charge of the department, another by the department itself, and still another by the Minister for Railways, who spoke the other night in Committee. At any rate, I think we got the right set of figures to night from the Colonial Treasurer. He commenced his speech by admitting that on the 31st March last the Advances to Settlers Department had \$760,000 in the way of unraised capital ; but against that there were issued by way of short-dated debentures £140,000, thus leaving £620,000. Then, again, on short-dated debentures there was issued \$90,000 against the £620,000, leaving £530,000 on the 31st March. That was the position as stated by the Treasurer. We have been lending money at the rate of something like \$500,000 per annum. Last year the amount advanced was \$539 : 30. Supposing that next year we require for lending purposes \$550,000, which is more than we have ever required in one year -we had in repayments last year \$155,000. Suppose that next year we have in repayments \$150,000 : we deduct that \$150,000 from the \$550,000, and the net amount required for the current year will be \$400,000. The Treasurer admitted that the amount on the 31st March last was £530,000, so that, according to my estimate-and I believe I am correct, because I followed the Treasurer's figures carefully -- there will be in the possession of the department on the 31st March. 1962. \$130,000. That will be the position. Yet the Premier comes down to the House and tells us that he wants a million of money. It seems to me that the Treasurer is a sort of political Oliver Twist - the more we give him the more he wants. Now, I will leave figures. I do not believe in the system under which advances are at present made to settlers, but under the circumstances I am willing to support a Bill to borrow half a million of money for the purpose of the Advances to Settlers Department. In saying that, I may repeat what I said in Committee on the bill : I think that, instead of going to London to borrow money to re-lend to settlers, we should make available the money we have in the lending departments of the Government -- that is to say, that arrangements should be made by which the moneys of the Post-Office Savings-Bank, the Public Trust Department, and the Government Insurance Department should be advanced to settlers directly or indirectly at a fair rate of interest, instead of going outside the colony to borrow. I am sure that would be better both for depositors in the Post-Office Savings-Bank, and also for those who require borrowed capital. It is quite evident to me that if the Government continue to pursue the present system the effect will be to make money dearer, because they are mopping up all the money available.

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hold of. Now, 4 per cent. on money lent to the Government is as good as 4} per cent. on landed security, because there is no mort- i thing is to go on, members on this side of the gage-tax in the case of lending

to the Government ; so that the Treasurer is already : allow themselves to be in the position of having coming into competition with those who want to borrow as well as with those who want to lend money; and the latter most unfairly, because the money that comes from England does not pay the mortgage-tax, whereas such money belonging to the people in the colony does pay that tax. Just one other point. I have been given to understand that a division is going to be called for by the Premier through his Whips. Of course, he is within his rights in doing so, but I consider such tactics are most contemptible; and I want to take this opportunity of telling Ministers, as I have told their Whips, that when the Government Whips are put up to call for a division the "pairs" of Opposition members will be considered off. I do not intend to allow Opposition members who happen to be absent, and have given "pairs" in good faith, to be placed in a false position by such tactics as I refer to. Personally, my position is this : As I said before, I am quite willing to support a Bill to enable the Government to borrow half a million for the purposes of this department, but in taking authority to borrow a million I think they are taxing too much. They are exhausting the credit of the colony, and serving no good purpose. Sir J. G. WARD (Minister for Railways) .- I think one of the last remarks made by the honourable member should be noted. I have never heard since I have been a member of this House a gentleman occupying the position of a Whip make a statement to the effect that because of a division being called for on an important measure he has the right to cancel the "pairs" of members who have made them. Those for whom he professes to speak form only one side of the contract. He has no more right to say he is going to cancel "pairs," without consulting the members on this side of the House who have given their "pairs," than he would have the right to make a "pair" between honourable members whom he had never consulted. The honourable member knows this measure has been determinedly opposed, so far as the amount to be borrowed is concerned, in Committee, and opposed very strongly by himself and other members ; and, under these circumstances, members who entertain strong feelings on the matter in the other direction surely have a right to call for a division, if they think proper, so that they and their friends should place their votes on record. Yet, in the face of that, the honourable gentleman states he is in a position to cancel the "pairs" of those who had given them without anticipating any such autocratic action. Mr. MASSEY .-- I gave notice weeks ago. Sir J. G. WARD .- Even if the honourable gentleman gave notice, as he says, it is surely a very undesirable thing to say, indeed, an unprecedented attempt to introduce into the matter of "pairs" such a course - a representation of that kind without those on this side who are away being consulted. If this sort of House should not give "pairs" at all, but their votes put on record or not as they think fit. I rose more especially for the purpose of placing on record my dissent from one or two observations not only of the last speaker, but of some honourable members who preceded him. They have mostly been exercised about the proposal to raise a million, and all have put a hypothetical case that at a certain date the amount to be lent by the Office of the Advances to Settlers will be so-much. The last speaker made the amount \$400,000. On what does he base his calculation by which he arrives at that amount ? It is, of course, mere assumption. If we turn to the report of the department we shall find that the loans applied for in excess of those issued by the office amount to no less a sum than \$1,300,000 ; that is, the amount of loans applied for in excess of the amount lent by the office. Does this not clearly show that the demands of borrowers made on the office, then, do they ask office are very great ? for the amount to be limited to \$500,000? The only reason can be to cripple the office, and thus they would injure the settlers. Now, if such a proposal as that of the last speaker, and one or two others, were given effect to - namely, for the transference of money from Government institutions such as the Government Insurance, the Public Trust Office, and the Post-Office Savings-Bank to the Advances to Settlers Department - what would it do? It would withdraw from competition in the country very large sums, which the farmers and others require to enable them to get the money necessary for them to carry on their business. It must be very well known that both the Government Insurance and Public Trust

Departments lend large sums beyond the limit of the Advances to Settlers Office. The honourable gentleman would, if he had his way, come down with a proposal that the Government should abstain from borrowing - I understood him to say - any money in the London market at all for the Department of the Advances to Settlers, and to utilise the money of the Public Trust Office and the Government Insurance. The honourable member must know, if he has any knowledge of what is going on in this colony, that hundreds - ave. thousands-have been dependent on the Government Insurance Office and the Public Trust Office for money to enable them to obtain mortgages, and so carry on their ordinary affairs. The Post Office invests its money very largely with the Treasury in Government debentures. and the honourable gentleman knows perfectly well that indirectly it is a means of assisting the people of this country, by advances from the Treasury to local government bodies, for instance. The Post Office does not lend on mortgage, but I say that indirectly it greatly assists to have a sufficiency of money for local uses available. Notwithstanding this, he would have us give up what has been a practice for the

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ments have been utilising their funds in lending to borrowers, but the honourable member for Franklin would now have us stop the practice, and do a deal of injury, and allow private institutions to have the whole field of mortgaging large sums of money in their own hands. And, indirectly, he would also cripple the Advances to Settlers Department by giving it too little money. Sir, it is all very well for the honourable member and others to advocate borrowing large sums of money in the colony. To a certain extent I agree with him that it would be quite right to obtain some of the money required for the colony's requirements ; but if you go for the whole of the loans in this way what would be the result? You would bring about a financial crisis before you knew where you were, by creating a shortage in money for the ordinary industrial, agricultural, and commercial purposes. It appears to me that that is what some honourable members would like to see happen. One honourable member said that during the last twenty-six years this colony had paid away £40,000,000 in interest ; but if we take the ordinary revenue of the country for the last twenty-six years at an average of, say, two and a half millions per annum-I have not had time to look the matter up since he made the statement, but I do not think it is an overestimate-it would amount to a sum of \$65,000,000 during the period mentioned, to say nothing of the enormous values that the expenditure of the money borrowed has given to both private and public properties. Sir, I would ask what would this colony be now, if during that time outside money had not been obtained - if money had not been got to make railways, roads, telegraphs, and other public works ? Honourable members would have found the colony now in the position of a sheep-walk-probably one or two in the North and South Islands-with a few people dotted here and there, and sheep and cattle taking the place of human beings. It seems to me that by their actions, even at this enlightened period, some honourable members would desire this. Such are the deductions from the arguments placed before us in this the twentieth century. Mr. G. W. RUSSELL .- It was the honourable member for Lyttelton who made the statement. Sir J. G. WARD .- I do not care who it was. I am dealing with principles, not with individuals. Take the case of Great Britain itself. Where would that great Power have been if it had not borrowed its hundreds of millions of money for the internal and external development of the Empire? Where would the British navy be-our first line of defence? Where would her colonising policy be? Where would the additions to her immense territory, which have added such enormous strength to her dominions, be? Without borrowing, I say, much of this greatness and prestige would not be hers? I do not believe, myself, that we should borrow more money than is absolutely necessary. I am convinced that | this course, have an excess of money in the powerful nation. Notwithstanding the fact that at the present time it has, comparatively speaking, only a handful of people, yet it has the capacity for carrying a population not far below that of Great Britain itself, and as time goes on and our population necessarily increases we shall find that the rate per head of taxation will fall. Mr. MASSEY .- It is going up at present. Sir J. G. WARD .- But the

colony is not going to retrogress. I say, Sir, if the whole of our moneys for public requirements were borrowed in the colony itself ruin would be brought upon many of its industries. We should borrow locally what we can, and gradually, as money increases, we can doubtless do so more and more, but in this matter we have to be careful. If you ask why it is that the Advances to Settlers Department is going for a million of money at the moment, you have the explanation of the Colonial Treasurer. He has told you that it would not be worth while going on the London market for less than a million of money. Mr. MASSEY .- What about the half-million already floated ? Sir J. G. WARD .- That was at 4 per cent. for a short-dated loan ; but honourable members know perfectly well that we are not going to borrow this at 4 per cent. Our settlers require cheap money, and the advances-to-settlers loans should be obtained at 3 per cent. Owing to the prevailing circumstances in South Africa the price of money has temporarily been increased, but that will not last, and I say that the credit of our colony is so good that we are not going to allow the financial institutions of England, or of the colony itself, to extract from us over 1 per cent. more than we are entitled to pay. An Hon. MEMBER. - Why did you not say so ? Sir J. G. WARD .- Because I assumed that the honourable member's intelligence should have made apparent to him, what has been evident to nearly every one else-namely, that there are exceptional circumstances which have caused the rise in the value of money, and which have entailed the greatest difficulty, not only in our colony but all the colonies, of borrowing at low rates in England, and that difficulty is intensified by the fact that no one is able to foresee how much money may still be required for the South African war. When money was required to the extent of \$150,000,000 alone by the English Exchequer in connection with the prosecution of the war in South Africa, and to sustain and consolidate the Empire of which we are all very proud to know that we are one of the great component parts; and when I say that members know these extraordinary circumstances exist now, and which were responsible for the rate of interest being 4 per cent., yet they would, according to their statements, have us go on borrowing millions of money at 4 per cent. in the colony, and this too in spite of the fact that when the normal condition of affairs arrives money will be procurable at 3 per cent. on the London market, and you would, by adopting

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of industry in New Zealand. Now, the last speaker, in the carefully prepared statement which he built up, has practically told us that because it was the intention of the Government and the members who supported them in obtaining sufficient money to carry on the affairs of the Advances to Settlers Department in a way the responsible people believe to be essential, and because of the intention to go to a division on this question, the honourable member has declared publicly in this House that he was going to take the responsibility of cancelling the whole of the "pairs" entered into by members on both sides of the House who are now absent. He has no right to do that, so far as the members on this side are concerned. That clearly shows this: that, having built up on his own assumption that \$400,000 is sufficient, he is evidently afraid to put his friends' votes on record as supporting such an outrageous proposal, and he therefore elects to cancel their "pairs." He has made the unreliable assertion that only \$400,000 will be required. He would divert hundreds of thousands of pounds of the two other lending departments of the State- the Government Insurance and Public Trust Departments - from the purposes for which they have always been used, and prevent thousands of people in this country from obtaining the money they required by way of mortgage. He desires to play into the hands of the large private lending institutions as against the State institutions, which they do not like ; and these State institutions must tend to keep down the rate of interest in this country, and thus add very materially to the welfare of the people of New Zealand. particularly those who require to use borrowed money, and this will in a progressive country always be the case. The Advances to Settlers Department was originally decried, and it was freely stated that it was bound to lead to disaster. What has been the experience ? Not one pound has been lost by the Advances to Settlers Office of the millions that have been advanced during the last six years. Now, if

that department had lost \$50,000, or \$100,000, or \$500,000, one could have understood those honourable members who are so anxious to restrict the Government in procuring sums of money to enable that institution to carry on its good work. But it has not lost one pound, and yet these honourable members are fully prepared, according to the last speaker, to cut the whole of the money of the Advances to Settlers Department down to \$400,000; and, in the statement the honourable member has just made, he said that if it goes to a division, and the votes are put on record, he is prepared to go to the extreme, on his own accord, of cancelling the "pairs " that have been entered into by members who are anxious to vote with the Government on this Bill. The object of " pairs " is to have the votes on both sides on any measure put on record. Some honourable members, apparently, if they were here, would, judging by the member for Franklin's attitude, vote with that honourable member. Sir J. G. Ward must be afraid to put them in the position which he takes up himself. But I will not allow him to place absent members who favour the proposals in a false position without directing attention to it. If honourable members pair on a particular measure, their "pairs " ought to be recorded as they paired. No member of the House has the right to put members in the position of not having their " pairs " recorded. It appears to me that this is a new and most dangerous development in this respect. It will create a complete want of confidence as between members. Mr. MASSEY. - There will be no more " pairs," then, this session. Sir J. G. WARD. - Very well ; members on this side of the House can do as well without "pairs " as honourable members on that side of the House can. The time has long since gone by for the holding-out of these threats that if one will not do a certain thing, then the other will not do something else. We want to maintain our positions as sensible men dealing with practical affairs, and we do not want to indulge in conduct that will carry us back to the happy days of boyhood, when perhaps occasionally we were in the habit of telling one another, " If you do not do a particular thing I will not do something else." The time has gone by for such exhibitions of childishness, and especially in such a Chamber as this. I only wish to say this : that all through its existence, for some reason a very strong position has been taken up against this advances-to-settlers system by some members of this House. When it was originally introduced by me into the House it was most bitterly opposed, and fought against for weeks and weeks, and, everything else failing, there was then a determined attempt made to restrict the amount of money. There was also an effort made to reduce the maximum amount of each loan to settlers to such an extent as would, had they succeeded, have brought about disaster to the department. They were not, I am happy to say, successful. And now history is repeating itself : you find that there is still that desire to cripple the institution by trying to keep down the wherewithal for the settlers of New Zealand who require the money. They would thus destroy the power, and prestige, and influence of the office to keep down the excessive rate that other individuals and corporations in competition with the office would gladly put on. They know the Advances to Settlers Office is the greatest check upon the increasing of interest rates that exists in the colony. In face of the advice of the Government, upon whom the responsibility rests in this matter, who say that it would be ruinous, if not disastrous, to the department during the next twelve months if less than a certain sum was granted. Will you get some honourable members to say that? \$400,000 is enough, another that we ought to use the \$155,000 accretions, another that you may expect to receive repayments next year of \$176,000. One says you have already got \$700,000, another says you have got £835,000

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and another a million of money ; but they all want to tie the Government to not more than £500,000. What does it all come to ? An Hon. MEMBER. - What do you say ? Sir J. G. WARD. - I say that the responsibility is with the Government, and, if the Government make a mistake in asking for a lower sum than a million of money for this office, in the course of time it will be judged by what they are doing, and those who have no responsibility, and urge that we should get too little money, would be the very first to

condemn us. If this money is to be obtained at 3 per cent., we will only be able to do it by placing the money on the London market when the proper time arrives. There seems to be an attempt to make the Government give more than 4 per cent. for the money, and this is another way of crippling the office, and to do this they would do a serious injury to the settlers of the country. I rose only in consequence of some observations I heard in the course of this debate from the last speaker. I felt grieved to find that there were members willing to do injury to the settlers of the country by crippling an institution which has added materially to their prospects, welfare, and happiness, and which will continue to do so, despite the opposition of those honourable members who have done their best to destroy or cripple this most valuable institution. Mr. STEVENS (Manawatu) .-- I rise 1.0. to make a personal explanation. The member for Franklin has stated here that he intended to cancel the "pairs " recorded with respect to this question. I wish to say that during the time I have occupied the position of Whip I have worked most amicably with that honourable gentleman, and have found him courteous and considerate in every respect, but I deny emphatically that any suggestion or proposition of any kind was made by him for the cancellation of any "pairs." I have received no such intimation, nor has my co- Whip. Mr. MASSEY .- Yes; the other Whip, Mr. Carncross. Mr. STEVENS .- I think that when a " pair " has been recorded it should be retained, and not cancelled without the express consent of both parties concerned. I would not undertake to break the "pairs " of any members, and it has been a surprise to me, this statement of the honourable member for Franklin that he intended to cancel the "pairs." I regret it very much, and hope that he may reconsider his determination. Mr. MASSEY (Franklin) .- On this question of "pairs " you, Sir, will remember that on the occasion of the Address in Reply the Premier did something that nobody expected and that had probably never been done in this House since the foundation of the colony. He called for a division on the Address in Reply on the question that a respectful Address be presented to His Excellency. I said at the time that it was a most unusual thing to do, and I objected to any "pairs " being recorded. I told Mr. Carncross, who was the Acting-Whip at the VOL. CXVII .- 38. time, that on any future occasion when a division was called for by the Government Whips I would refuse to take the responsibility of signing the "pairs," because it was putting those members who had gone home, and who did not know what was coming on, in a false position ; and I say again that when a division which can serve no useful purpose except to flatter the vanity of the Premier is called for by the Government Whips I shall refuse to sign the "pair" sheet. Mr. HERRIES (Bay of Plenty) .- With regard to this question of "pairs," it is not that any one objects to taking a division when necessary, but we do object when there is no need for a division. Mr. O'MEARA (Pahiatua) .- I fail to see why this question has been introduced by the honourable gentleman, as his name has never been referred to in connection with the "pairs." I ask you to rule, Sir, if the honourable gentleman is in order. Mr. DEPUTY-SPEAKER .- I cannot see that the question of "pairs " has anything to do with the debate on the Advances to Settlers Bill. Mr. HERRIES .- The Minister for Railways was not affected personally by the question of "pairs," but he was allowed to refer to it at considerable length. Mr. DEPUTY - SPEAKER .- My attention had not been drawn to the fact. Mr. HERRIES .- It seems to me, Sir, that you allowed the Minister for Railways to go very fully into the question of "pairs." I, apparently, am not to be allowed. Sir J. G. WARD .- I replied to the member for Franklin. Mr. HERRIES .- Why should I not reply to the Minister for Railways ? Mr. DEPUTY-SPEAKER .- My attention having been called to the matter, I must rule it is out of order. Mr. HERRIES .- Very well. With regard to the Bill, I suppose I may speak on the question of the Bill in reply to the Minister for Railways. Sir, the Minister for Railways called attention to the different figures given by different members of the House. These different figures are entirely due to the different figures given by the Ministers in charge of the Bill. I say "Ministers," because apparently there are two Ministers in charge. An Hon. MEMBER .- Three. Mr. HERRIES .- Well, the Minister for Railways was too wise to put the figures down in this debate, nor did he do so in the second reading, though he did in Committee, where he was not reported. But the Premier, on

the second reading, gave us the sum of £760,000 as being left out of the original loan, against which there was £200,000 pledged, which left £560,000. The Premier said also, in his speech on the second reading, there was £560,000 of liquid assets on the 31st March. The Minister who was in charge of the Bill gave us also on the second reading the sum of £760,000, and said a certain sum had to be placed against it, but he did not state the exact sum. Now, in

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Committee the Hon. the Minister in charge of | for the half-million. It seemed to us that there the department gave us the sum of £590,000 as being the amount available, and which he made up as follows : namely, £620,000 not raised on 31st March, from which he deducts £30,000 for expenses, and that leaves \$590,000. Now, the Premier on this motion on the report gave us the sum of #620,000, from which he sub- tracts £90,000 so far as I understood him, making \$530,000 at the 31st March. He said afterwards, in connection with a remark made by the honourable member for Riccarton, that he did not mean on the 31st March ; but he induced the House to believe there was only £530,000 available on the 31st March. That was the intention. Well, now, Sir, which of these statements are we to believe is correct ? Besides, Sir, nothing has been said about the \$200,000 which the Premier admitted was miss- ing. Mr. SEDDON .- I never mentioned it, or said it was missing. Mr. HERRIES .- The Premier on the second reading did mention it. Mr. SEDDON .- No. Mr. HERRIES .- I have got a note of the Premier's own words. He said, as an interjec- tion in the course of the member for Bruce's speech, " Not to be raised, but \$760,000 yet to be raised under the authority of the principal Act. Of this, only £560,000 now remains avail. able for investment on mortgage." The Minis- ter in charge of the department said on second reading, " There is a balance to be raised under the last statute of #760,000, but there is a sum of \$200,000 already pledged against that amount." Mr. SEDDON .- I did not say that ; you put that into my mouth. Mr. HERRIES .- Sir, the right honourable gentleman said £760,000 was yet to be raised, of which only \$560,000 was available ; and I sub- tract the one from the other, and get £200,000, which bears out the contention of the Minister in charge of the department. Therefore we may safely assume that £200,000 has been pledged. I believe the Minister in charge of the department, because he gets his figures from the officers in charge of the department, and I believe there was \$200,000 pledged, because he says there was. Well, that was one of the reasons why we considered there was not suffi- cient reason shown for advancing more than \$500,000. If the department could go and pledge £200,000, apparently, they were not very much in want of funds, and what still further impresses me in that view is the Premier's own statement this evening, that the Superinten- dent of the Advances to Settlers Department had told him that there would be \$100,000 available at the 31st March next. That is to say, after paying out all the moneys likely to be lent. Well, Sir, if there is \$100,000 available on the 31st March next, if we had voted half a million this year there would be \$600,000 left for the next year, and therefore it seems to me that half a million would have been quite sufficient for the purpose of advances to settlers. And that is why I and others voted Mr. Herries was not suthcient explanation of what hap- pened to the \$200,000 which the honourable member in charge of the department said « as pledged somewhere or other, and it seemed to us also that there was not sufficient reason given why more than \$500,000 should be ad- vanced. That is the reason why we voted against it. Sir, the Premier is going to call for a division on the third reading, and I very strongly object to this practice of calling for divisions which are not called for by this side of the House. Mr. MILLS .- You do not like them. Mr. HERRIES .- No, Sir, it does not affect me as, I am going to vote for the third reading, and I think a great many of those on this side of the House, if they were present, would also vote for the third reading. We have done our best to reduce the sum of money to be hor- rowed, but having failed in that, I intend to vote for the third reading of the Bill, because I believe in the principle of advances to settlers. I always have done so, and shall continue to do so. I believe the advances to settlers legis- lation has done a great deal of good to the country. I admit that, and that the

measure has come to stay. I have always believed in it, and shall continue to vote upon it, but I do not believe in raising money when it is not wanted, or in trying to raise more than is absolutely necessary. And in regard to the practice of calling for divisions when they are not called for by the other side, that only makes me feel the utmost contempt for those who call for them. Mr. ELL (Christchurch City) .- Sir, I have not taken up much time this evening. We listened a short time ago to a twenty-minutes speech from the Minister for Railways, which was mainly repetition, for nearly every statement he made had been affirmed by the Premier and by the Minister in charge of the department, and, in addition to that. five minutes was thrown in with regard to "pairs." Sir, I do not propose to touch any of those questions. I think they have been dealt with over and over again, till every one almost is sick of hearing the arguments for and against. The Minister for Railways mentioned, referring. I understand, to my friend the honourable member for Lyttelton, that the honourable member had opposed and was against State borrowing altogether. The Minister for Railways stated that without this credit the colony would not have had the many advantages it now enjoyed. But my honourable friend, Mr. Laurence said nothing of the sort. What he called attention to was, and, I think, properly, this: that we had paid away in interest no less a sum than forty millions sterling in the last twenty-six years. It was a valuable statement to make. and it was one the honourable member made only after a deal of research for the necessary figures. We had piled up a debt of forty-million millions, with an annual charge of interest of over two millions, on the shoulders of the people of the colony, and it was about time we tried if some other means could not be adopted

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that would lessen the amount of interest and | the English bondholders and pledging our the consequent burdens on the people. I agree with the Minister for Railways that we must have credit to carry on the works of the State. We must have railways-the people are crying out for them - we must have roads and bridges, and we must have public institutions, and works of this kind cannot be carried on without credit. But the method adopted in the past of going to the foreign bondholders and getting his credit, which is simply created by the banking institutions, should not be any longer pursued. Let me say here that I care not a snap of the fingers as to what people may say about my being brought up on "State bank paper" or any such twaddle. I do not mind the whole of their ridicule, whether it comes from newspapers or individuals, because I believe this: When we are loading our people in for heavy interest-charges, and are paying over one-third of our total revenue every year in interest, it is time we considered whether we cannot take some steps to check it. As an instance of the interest we pay, let me mention that in 1898 a return was furnished to the House in connection with the million loan for the North Island Main Trunk line. That return showed that over \$420,000 had been paid in interest, and that the whole of the million is still owing. Sir, a statement was made by the Right Hon. the Treasurer that it was not only \$140,000 that the Bank of New Zealand had advanced to the Government, but that the Bank had created another credit of \$90,000 in favour of the Government ; in all, \$230,000. Now, where did the Bank get that credit from ? As I have said before, and I repeat it now, it did not print any more notes or create any more gold, or silver, or copper coinage ; it simply created that credit and charged the Government interest on it ; and I say if the Manager of the Bank of New Zealand can create a credit in favour of the Government by a mere scratch of the pen to the extent of £230,000 at 4 per cent., the State can do it just as well as the Bank of New Zealand, and I challenge any member of the House to say that that could not be done. If a bank that is bolstered up can create that credit in favour of the Government, a State bank could do it ; and the interest would be saved to the taxpayers, and when we are loading our people with interest every year that is a question we might very well consider. Now, the Post - Office Savings- Bank has a large deposit - nearly six millions sterling. It is now collecting the interest and the principal, and is acting as a great help to the Advances to Settlers Office. What is that office? Practically, it is a State loan office. Why cannot we have our own State bank of issue, and assume control of the issue of the currency of this country, and act

as a bank of deposit, and manage our bank in the same common-sense way in which private banks are managed-creating credit and charging interest upon it? If it can be done successfully in the case of a private bank it can also be done successfully in the case of a State bank. I do not see why we should be constantly going to credit, and paying interest on our bonds simply on credit, for there is actually no coin behind it. When the member for Lyttelton was speaking on the currency question some member made some disparaging remark upon Pennsylvania bonds. If the honourable member will take the trouble to look up the records he will find this in connection with those bonds : that the State paper money in connection with New Jersey, New York, et cetera., did not depreciate until the English Government took away the legal tender quality from that paper money ; so long as that paper money was good for the payment of debts it was good. While I believe we could carry on a State institution- Mr. SEDDON .- I do not see what connection that has with this Bill. Mr. ELL .- I say any means that can be devised for checking the loss to the community sustained under the present system would be a good thing for the country ; and this, I say, is the time for discussing that-when we are proposing to put on the shoulders of the community, perhaps for forty years, another loan and interest on it for the whole of that time. Mr. . DEPUTY-SPEAKER .- I must really ask the honourable member to come back to the question before the House. The honourable member is getting a little bit wide of the Bill-he is going too much into detail with respect to establishing a State bank. Mr. ELL .- I was answering the objections which have been stated, that we could not create our own credit, and I am contending this: that we could create our own credit and could save the interest we are now paying to the money-lender at Home. There is a direct connection between those two things. If the Premier wants any examples, let him go to Russia, where they have a State bank - Mr. DEPUTY-SPEAKER .- I must rule this discussion out of order. It would be more appropriate on the financial debate than at the present time. I think the honourable member is going beyond the four corners of the Bill now under discussion. Mr. ELL .- Then, I must satisfy myself with this : that the rate of interest could be reduced for the relief of settlers by the State establishing a State bank of issue and for the purpose of creating credit. Instead of the settlers having to pay the English bondholder 4 per cent. and a margin to defray the cost of working the department, their interest could be reduced by the State creating its own credit. The Premier has admitted in the House more than once that such a scheme could be brought into operation so that we could create our own credit, and I trust that will be done in the near future. I ask the honourable gentleman to take a note of this. If he will turn to the deposits in the five banks and in the Post-Office Savings-Bank he will find that in these six institutions there are over \$22,000,000 of deposits, and yet there is only two millions of gold, and if there was a run they could never meet the demand, and the State would have to come in. This shows clearly that to carry on

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successfully and with the fullest safeguards the | from the time I made the announcement as to State must take over the currency. Mr. DEPUTY-SPEAKER. - I must again interpose; the honourable gentleman is again going outside the subject. Mr. ELL. - I have concluded. Mr. BARCLAY (Dunedin City) .- I am not going to detain the House. I merely wish to say that I regret the question raised by the honourable member for Christchurch City has been ruled outside the four corners of the debate, because his speech 'was of a very interesting and important character, and I myself am largely in accord with what he says. Sir, it seems to me a monstrous thing that we should have to pile up our debt in the way we do, until it has reached over forty-nine millions. It seems to me extraordinary that we should hardly be able to build a mile of railway in this colony without the permission of a number of gentlemen in London. regard this question of the issue by the State of its own notes as one of very great moment, and I trust that on another more opportune occasion the whole subject will be fully discussed during the session. Mr. SEDDON (Premier) .- I must say this Bill has had a very chequered career. There are only about four members in the House who would have the courage of their opinions and vote openly against it. I can

name them : the honourable member for Hawke's Bay, the honourable member for Waitemata, the honourable member for Patea, and the honourable member for the Bay of Plenty. Mr. HERRIES .- No; I am going to vote for it. Mr. SEDDON. - I thought you were objecting to voting at all. I can only now mention three. Yet the business of the country has been delayed for four days over a Bill there are not four members against. It proves most conclusively that, whilst the pressure from the people forces members to support the measure, if they dared or acted according to their own selfish convictions they would do their best to prevent its going on the statute-book. Now, I would much prefer that members opposed to the measure, like the new member for Patea, told me so, as he did. That honourable member said he was not in love with it, and that he would certainly vote against it. I would rather have that than that members should delude their constituents. They get elected by telling their constituents that they will vote for measures like this, and when they come here they do their best to prevent the necessary moneys being raised. Amongst those I allude to is the honourable member for Riccarton. I do not wish to be drawn into a false position, and as I do not desire to keep the House very long I will briefly refer to some of the arguments against the Bill in its present stage. The member for Hawke's Bay (Captain Russell), when speaking after me, said the only reason why moneys had not been advanced was that the moneys had been lent to other departments. I say, Sir, that not a single shilling of the moneys raised under this Act Mr. Ell the £76,000 has gone anywhere except to the settlers of this country ; and all this fuss, and all this pretended stir, over the £200,000 was made for one or two things: those responsible for it are either dull of intellect, or are so incapable of grasping finance that, in my opinion, they are absolutely incapable of being intelligent representatives of the people. I say the matter was put as plainly as tongue could put it, that there was £760,000 of the old loan untouched ; that there was advanced sums of £140,000, £60,000, and £30,000 on short-dated debentures, but at different periods. As I said before, I now repeat, that on the 31st March last there was £760,000 of the old loan untouched; but short-dated debentures are always issued against moneys that cannot be raised by way of loan. It was not advisable to raise £760,000, and, to get the moneys for settlers short-dated debentures were issued, and the Bank advanced the amount. Therefore, an advance was made to the department so that it could lend it to the settlers. If I were to speak on this subject until to-morrow I could not alter the situation. As to the suggestion that the money was to help other departments, I would like honourable members to examine their Statement. Could they show where that had been done ? As they could not do so, they could only come to one conclusion, and that was that the statement certified to as being correct by the Controller and Auditor-General was in reality false. If it is false, then that gentleman was not fit to be in his position. On the other hand, the Superintendent of the department had no right to be in his position if he places before us statements that are certified to as correct but which are incorrect. Consequently, this nonsensical talk about the moneys being raised to advance to other departments simply emanated from the brain of those who would like that to be really the case. so that they might have an opportunity of injuring the Advances to Settlers Office. It has been said that there has been a discrepancy. The amount of loan unraised and at the command of the administration of the department stood at £760,000. He deliberately told the House that about £140,000 and £90,000 had been the amount temporarily advanced. Advanced from what ? From the Bank of New Zealand, on short-dated debentures, to the department. Then, I come to the member for Riccarton. He says that if half a million was granted we should have sufficient money to carry on with for over two years. How the honourable member can for a moment keep on repeating that statement I cannot understand. I have said-and I give it to him again and to the House -that, on the average lending, we should have of loan-moneys less than \$100,000 on 31st March last. If, therefore, as he says, we had been lending it at the rate of £600,000 a year, and we have only the half-million that is granted, according to his showing, then you would have only £100,000: then what is to fill up the interregnum between that and the meeting of Parliament ?

Mr. MASSEY .- Repayments. Mr. SEDDON .- " Repayments ! " Honour- able members will keep hanging on to that miserable fallacy. You cannot with safety depend on moneys coming in as refunds. It may not be convenient for the people to send in the whole of the money ; and if we are to depend alone on the money coming in for the purposes of the Advances to Settlers De- partment, I say, where should we be in less than three months? If the finances of that department were to depend upon that, I say there would soon be an end of it. You might just as well put up the shutters at once. And the member for Riccarton, while profes- sing to be a supporter of this measure, and while professing to be a supporter of the advances to settlers-if he advocates their wait- ing until the money comes in for it to carry on with, I simply say it would be better for him to openly denounce the advances to settlers, and better for him, because it would be a more dignified and proper course to say, "I am en- tirely opposed to it." But to say, " I have always been a supporter of it" and yet to cripple it in the way in which the honourable member sug- gests is to me incomprehensible. We shall find when the voting is taken on the third reading that the honourable member for Riccarton who voted to reduce the amount to £500,000 will be voting to give me the whole million ; either that, or he will be out of the House and amongst the missing altogether or will be found voting for the Bill. Now, let members watch. Then, Sir, if he thinks this half-million is suffi- cient and the million would be a wrong thing for the colony, his proper position is to vote against the third reading of the Bill. But I have my doubts whether he will do that. The general public may understand when they see the voting on the second reading that you may alter your ground between the second and the third reading; but when they read that you supported the second reading, and afterwards voted to keep the measure off the statute-book no explanation on the platform will get over the fact that you voted in that way. That is why there is a little uneasiness in the minds of some members at the present moment. The honourable member for Riccarton, with the view of creating alarm again-I do not know whether he is responsible-made the state- ment that the finances of the colony were in a serious position. He says, "I find the public works expenditure for the last quarter was \$400,000." Sir, four fours are sixteen- £1,600,000 a year. That would be the case, would it not? Now, Sir, the honourable member takes the total of £400,000 for this particular three months. He is not the only one who has been led astray in respect to this matter. He is not the only one who has had grave anxiety. He says that Ministers have been looking pale as they came out of the Cabinet room. I undertake to say that he has not seen my honourable colleague the Minister for Railways looking pale. I undertake to say that not even the illness he had lately made him look pale. With respect to this £400,000 for the quarter, I hope the Press will take the opportunity I give them, and that it will relieve them of some little anxiety, and that it will relieve the people of the colony of some little anxiety, when I say that during the last three months shipments of locomotives, railway- wagons, and rails have been teeming in. These, of course, have to be paid for immedi- ately they are put on board, and this is what has caused the abnormal drain during the last three months. It is not \$400,000 on the ordinary railway construction ; it is not the ordinary expenditure out of the Public Works Fund for the construction of roads and tracks, but it has been these shipments and demands during the last three months, and which can- not possibly continue during the next nine months. It is morally impossible it should be so. And that is why it looks from the Statement as though our expenditure on public works was a million and three-quarters in the year. I say it will be nothing of the sort. I have now told the honourable member. He raised the question of the £400,000. I have given him the reasons why there is this abnormal expenditure. We gave last year half a million for additions to open lines, but if you look at the papers you will find that only £325,000 was expended before the 31st March ; and, consequently, these amounts are coming in now which are out of that par- ticular vote. And it is not the public works vote which has made this abnormal increase. I hope, now, that the honourable member and those honourable members who say there was this grave anxiety, and that the Public Works Fund

had got into this terrible condition, and that the Treasurer appears asleep, and that the Ministers are not watching carefully what was going on, I hope, now they have got this explanation, that these honourable members will sleep sound, for we will not have this £400,000 again coming to charge for the next three months, and we will not have the expenditure going on at the rate of the last three months. That is the explanation, and I make it now, for before the financial debate is over I know the question will come up again, and I will thus forestall it. I see that the honourable member for Riccarton already feels relieved, and that he is beginning to draw closer. Then, the honourable member said we had the temerity-I might almost say the audacity-to hold back payments in Dunedin. Mr. G. W. RUSSELL .- I never said that. Mr. SEDDON .- Well, one member, at all events, mentioned the holding back of the payment of the expenses in connection with the visit of the Imperial troops at Dunedin. I think it was on the second reading, and I thought it was the honourable member ; and if my memory is defective, well and good. An honourable member said that we are holding back payments from Dunedin in connection with the Imperial troops. What was the fact? Some gentlemen in Dunedin sent out invitations, and invited officers and others to a smoke concert. They enjoyed it, and sent the bill in to the Government. Well, naturally, the Government did not pay it; and

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then, because we did not pay it, we are accused of having held back payments, which shows the frightful condition of our Treasury ! I simply say this : the total amount, I believe, incurred in the City of Dunedin, because that city did its duty in a manner which reflected the greatest credit on it -- the hospitality it showed to the Imperial forces-the great patriotism they showed in Dunedin and Otago is worthy of all praise, and, as far as the Government is concerned, it is in favourable contrast with what was done in other parts of the colony. Sir, the total amount chargeable for entertaining the Indian and Imperial troops in Dunedin would not amount to more than about £300; so that we cannot have the whole £300, and what a frightful state our finances must be in! Yet some members say, with some sense of responsibility, that we were holding back payments. The whole thing is so absurd and ridiculous that I am surprised at any member who aspires to come on the Treasury benches making such a statement- An Hon. MEMBER .- Oh, no. Mr. SEDDON .- But they do aspire to come here, and yet they are absolutely ignorant of the very first principle of finance, and that they are demonstrating all the time. I say that a member who stands up and makes careful addresses to the House and his fellow-members, if he is careful and makes good his contentions, and shows that he is absolutely fair, he is bound to work his way up. He is bound to have the confidence of his fellow-members ; but a member who always makes a hotchpotch of figures, and not a single statement of whom can be relied on, and who coolly tells you that he does so in order to get that statement contradicted-that member, Sir, will never see the Treasury benches, because he will never have the confidence of his fellow-members. Then, in order to show his knowledge of financial lobsouse -- the Scotch word hotchpotch is about the same thing-we were told by the member for Riccarton that the department had only £29,000 cash in hand, and he quoted from the Statement that this was correct. Sir, the honourable member is quite correct in that amount. It was £29,000. Then, he said we only raised £30,000 since, and therefore, he said, all that we had had for three months' advances under the Advances to Settlers Act was ±59,000. Mr. G. W. RUSSELL .- I never said that. Mr. SEDDON .- The honourable gentleman said that is all we had. An Hon. MEMBER. - £59,000. Mr. SEDDON .- That is \$59,000 ; and the honourable gentleman wished to infer that as we had only £29,000 cash, and had only received \$30,000 since, we did not require any more ; and he wanted to show that, taking the £59,000, there was no necessity for raising any more money. He did not say this, it is quite true, but the inference was to be deduced that going on at this rate we only wanted \$59,000 for three months. I say the honourable member, when he is told by the department that we must have half a million, and they are lending at the rate of half a million-his own common-sense Mr. Seddon ought to tell him that £59,000

would not be looked at for advances during the three months. Then, Sir, I must ask honourable members to contrast the next statement made. He said the Government have acted prudently in respect to the administration of this department. Am I correct in that statement ? Mr. G. W. RUSSELL .- Yes, with regard to the lending of money. Mr. SEDDON .- The terms used were that "the Government have acted prudently in respect to the administration of this department." Now, the honourable gentleman qualifies that by saying "lending of the money." Well, what greater proof do you want if the Government is capable and prudent in lending out the money ? Why should you hesitate to give them more money to lend out ? An Hon. MEMBER .- Why bother about it ? Mr. SEDDON .- The only reason is this : Why show a want of confidence in the Government, whose administration is prudent or perfect ? I say the whole position is so illogical and untenable that no other member of the House would take it up. The honourable member for Franklin, the honourable member for Hawke's Bay, and members on that side of the House would never admit that. Mr. MASSEY .- We know better. "Mr. SEDDON. - Of course ; they are consistent. They say, " We do not trust your administration. If we thought you were prudent and careful administrators we would give you two millions; but because we do not think you are prudent we do not give you money." But the member for Riccarton-their new supporter. the forerunner of the "left wing" party. because he generally starts " a left wing " wherever he goes-does not hold these views. I hope honourable members opposite will bear that in mind. I know why we have had this attack made upon the Advances to Settlers Office. I am not unmindful of what has occurred in the past. I do not wish on this occasion to obtrude the black list ; but have honourable members not read this ? "The Government wanted strengthening ; they wanted some one who had a thorough knowledge of finance upon these benches." And, Sir, what has been the cause. in my opinion, of this criticism, adverse and otherwise, by one or two honourable members is this : they want to demonstrate to my worthy friends and supporters here that if they were on these benches they would be a tower of strength to us. As it has been proved that every statement made has been incorrect, I hope my honourable friends will take warning and keep them out in the cold shades of Opposition. I warn members to have nothing to do with those whose figures and statements are so fallacious. Then, Sir, I will deal gently with the member for Patea-the young man Absalom. The honourable member said I made a statement to West Coast members that there was no money available for any purpose. That statement, I see. appeared in the papers, and I want at once to give it an emphatic contradiction. I never made any such statement at all. At the deputation

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in question there were no reporters present, and whatever was given out was given out by some member of the deputation. An Hon. MEMBER .- By yourself ? Mr. SEDDON .- No, not by myself. I saw something in the paper that that was inspired, but, I repeat, it was never inspired or seen by me, and no one was more astonished than I was when I saw it in print, because I never made the statement at all. What the deputation came to see me about was an increased public works expenditure-in fact, they wanted another railway ; and I could not possibly, seeing the heavy public works expenditure, and the importance of some of the other works, give them any encouragement, and I told them so very plainly. I at the same time said that in respect to this money, amounting to two millions, at the present time that would leave a burden of £70,000 by way of interest on the consolidated revenue, and that the consolidated revenue had enough to bear at present, and that the estimates of receipts and expenditure as submitted, and as then before me, gave me some anxiety. I might have gone further. But it was simply the first blush, and when the matter was considered it proved-and you have had the result-that there was no cause whatever for anxiety. As to saying that there was no money available for public works, that is absolutely incorrect, and I take this opportunity now of stating so, and I thank the honourable member for mentioning it, as this gives me the opportunity of refuting it at once, and, I hope, for all time. The honourable member has also learned another lesson. He has learned the lesson that when he receives

letters from his constituents, complaining of hardship and injustice at the hands of a department of the State, he should always make inquiry before he uses them. Probably a settler whom he may know sends a letter of this kind that seems very hard at the first blush, but time after time things are kept back and public departments and the heads of departments are misjudged. I stand here in defence of the departments, and I say that, as many members know, communications are received which would bear a very different complexion if members had before them the information which is before the department and before the Minister. From these letters you must always subtract a good deal. In the case the honourable member referred to, and which has got into liunsard, what were the facts? An application was made, an advance was asked for, and there was a second mortgage on the property that was never disclosed at all. The department could not with safety have lent the money ; and the declaration made might, if extreme steps had been taken, have landed the applicant into trouble. However, the department, as is the case with all lending departments, is of a somewhat secret character, and the Government do not intend to take further action, therefore, in respect to the matter, although we have been called upon to clear ourselves and to vindicate the department. I hope the honourable member for Patea will take a lesson from this, and will be very careful before he again quotes a communication of this character, or suggests that the lending department does not lend except to parties of the "right" colour. I take my stand here, Sir, and I say, without the least hesitation, if a return were produced of those who have received the greatest benefit from the advances to settlers it would be found that those have most benefited who have voted against the Government and have opposed the passing of this legislation. That, Sir, would be the undoubted result. I now come to the question raised regarding voting upon the third reading. I am told that unless the people who object to a measure call for a division on the third reading the question should be allowed to be taken on the voices. I say it is the inherent right of any 2.0. honourable member, if he wishes & division on any question, to get that division. Our Standing Orders provide for it, and those who are afraid to go into the lobbies and have their votes recorded are afraid to meet the people, and are afraid of their own actions. The time-honoured custom was a vote on the second reading ; the time-honoured custom was a vote on the third reading, and you could then always trace the members and their works, and their works went before the people. And to say now that they are afraid of the third reading of the Bill proves that they are not sincere. They fought the Government in Committee ; they endeavoured to prevent the measure going on the statute-book ; but let me tell them it is here to stay. There is a million of money to be borrowed, and we shall prove to New Zealand and to the world that, with prudence and careful administration, the result will be that the private lenders, the lending institutions, and the capitalists must admit that the Legislature of this country fixes what the interest shall be on borrowed moneys. Motion agreed to. The House divided on the question, "That the Bill be read a third time." AYES, 30. Allen, E. G. O'Meara Hall Palmer Hall-Jones Arnold Herries Seddon Barclay Bennet Hornsby Symes Ward Collins Lawry Wilford Duncan Lethbridge Ell McGowan Willis. Mackenzie, T. Tellers. Field Millar Flatman Hogg Fowlds Mills Laurenson. Fraser, A. L. D. NOES, 4. Tellers. Haselden Carncross Massey. Stevens. PAIR. Against. For. Bollard. Carroll. Majority for, 26.

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Mr. STEVENS (Manawatu) .- I wish to explain that Mr. Carncross and myself called for a division for the purpose of testing the feeling of the House on this subject and not for the purpose of voting with the "Noes." Bill read a third time. The House adjourned at ten minutes past two o'clock a.m. #