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LEGISLATIVE COUNCIL. Thursday, 17th October, 1901. Second Readings- Local Bills

Committees-Disorder in Committee - Cornwall Park Duties Exemption Bill-Opium Prohibition Bill -

Charitable Institutions Rating Bill. The Hon. the SPEAKER took the chair at half- past two o'clock.

PRAYERS. # SECOND READINGS. Factories Bill, Evidence Further Amendment Bill. LOCAL BILLS

COMMITTEES. On the motion of the Hon. Mr. W. C. WALKER, the names of the Hon. Captain Morris and

the Hon. Mr. Peacock were discharged from the Local Bills Committee B. and the names of the Hon. Mr.

Jones, the Hon. Mr. Louisson, and the Hon. Mr. T. Kelly added thereto. On the motion of the Hon. Mr. W.

C. WALKER, the name of the Hon. Mr. Fraser was discharged from the Local Bills Committee A, and

the name of the Hon. Major Harris added thereto. 1 DISORDER IN COMMITTEE. The Hon. Mr.

SHRIMSKI .- Sir, before the orders of the day are called on, I should like, with your permission, to make a few remarks. I have been now a member of Parliament for twenty-seven years, and hitherto I think my conduct has been such that I need not be ashamed of it. Yesterday I was unfortunately placed in a position which prevented my accepting your ruling, for which I am very much grieved. There are circumstances at times when one feels he is doing his duty, and is therefore prevented from retracting what he believes to be the truth. Under the circumstances I feel grieved to think that I have in any way done wrong in not obeying your ruling, because I am one of those who at all times respect those in authority. Under the

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anything I have said, I beg your pardon and that of the members of the Council. The Hon. the SPEAKER

.- I am glad the honourable gentleman has seen fit to make the statement he has, and I am quite sure that every member of the Council will also be very glad. Had the honourable gentleman given himself time

for one moment's reflection I am quite sure that his good sense would have pointed out that when the ruling of the Chair had been given the question is no longer what word had or had not been used, or what grievance had or had not been given, but the simple question whether the ruling of the Chair should be

obeyed. I trust in future the honourable gentleman, if such a thing were to occur again, would not be so hasty, but would give himself time to reflect. Of course he knows perfectly well that the business of the Council could not be conducted unless this rule were observed. For my own part, and I think I may say

the same on the part of the Council as a whole, the incident will be banished from my mind. Hon. Mr.

JONES .- May I be allowed to say a word or two? The Hon. the SPEAKER .- If it is to a point of order. The

Hon. Mr. JONES .- Then, by what right has the honourable gentleman made this explanation? To put myself in order, I will move the adjournment of the Council. The Hon. the SPEAKER .- The honourable

member must be aware that course cannot be taken with the Council. If he wishes to rake up this Question afresh he must give notice. The Hon. Mr. JONES. - I feel sure the Council will agree with me

when I proceed with what I have to say. The honourable gentleman has done, so far as he has gone, the thing that is right; but he has not gone far enough. The reason why the honourable gentleman was

called to order The Hon. the SPEAKER .- I regret that I must interrupt the honourable gentleman. is not in order. The Hon. Mr. Shrimski has made a statement which, I think, the Council will all approve of,

and it is not competent for any other member now to get up and make a remark on that statement. If he wishes to have the question opened up he must give notice. The Hon. Captain BAILLIE. - The Hon. Mr.

Shrimski having apologized to you and the Council for his conduct yesterday, and seeing that this is the first offence of the kind that has been recorded on the Journals of this House during my experience of forty years, I would ask the Minister of Education to move that the record be expunged from the Journals

of the Council. The Hon. Mr. JONES .- Oh, no, no. The Hon. Mr. W. C. WALKER .- I think I should like to take a little time for reflection before taking such a course. Without in any way desiring to make the unfortunate occurrence of yesterday a matter of unpleasantness to any one, it appears that the Hon. Mr. Shrimski still declines to retract the words spoken. The Hon. Mr. W. C. WALKER .- At the same time I regret very much the attitude taken by the Hon. Mr. Jones, who I consider ought to be generous. The Hon. Mr. JONES .- Where does generosity come in when I am so persistently maligned ? ##

CORNWALL PARK DUTIES EXEMPTION BILL. The Hon. Mr. W. C. WALKER .- This subject has already been referred to, Sir, in the Council this session when a certain Bill was before us, in which it was proposed to exempt certain charitable bequests and benefactions. The question was then raised as to whether this very handsome donation on the part of Dr. Logan Campbell would be covered by that Bill. Since then we have been advised that it would not, because it was a past transaction ; but the Government were so persuaded of the desirableness and equity of the colony recognising the handsome donation made by Dr. Logan Campbell in this matter of Cornwall Park that it was decided to bring in a Bill to relieve that donation from any stamp duties. This Bill carries out the terms of that decision. I beg to move the second reading of the Bill. Bill read the second time. OPIUM PROHIBITION BILL. The Hon. Mr. W. C. WALKER .- Sir, this is a matter which I trust the Council will consider important enough to require the legislation contained in this Bill. We all know that opium is one of the most seductive and insidious forms of narcotic, and it is only a reasonable proposition that in this community opium should not be placed in the way of the people for the purpose of smoking. It is quite true that in this there is a certain amount of menace to the Chinese, but I do not think we should tolerate the habit even among the Chinese in the community, because it is pretty well known that from the Chinese the opium-smoking habit becomes diffused, and contaminates European populations, more especially the young people. I do not think any one can say that opium-smoking is not a bad habit. It is said, of course, that opium taken in certain climates is almost a necessary of life; but I have never heard any one, from a scientific point of view, who was able to defend opium-smoking. It destroys the health, it destroys the morals, and it is, perhaps, one of the most seductive habits that can possibly be acquired ; and I think we are perfectly justified in making it as impossible as it can be made. I beg to move the second reading of the Bill. Bill read the second time. ###

CHARITABLE INSTITUTIONS RATING BILL. The Hon. Mr. W. C. WALKER, in moving the second reading of this Bill, said-This is a Bill which gives power to local authorities to remit rates in the case of any charitable institution (not being an institution within the

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meaning of "The Hospitals and Charitable Institutions Act, 1885") founded for the free maintenance or relief of orphans, or of the aged, infirm, sick, or needy, and which is in receipt of assistance by way of subsidy from the public funds. There is no doubt, Sir, that these institutions have every reason to ask from the State every consideration, and that the funds for their maintenance should all be devoted to the purposes for which they are contributed without any deductions in the way of rates or taxes. I would like to call attention to the proviso, which might be noted. Some of these institutions have got a considerable area of agricultural land attached to them, and it is not thought wise or necessary that these farms should be free of rates. They are the profitable parts of the institutions, so a proviso has been attached to this Bill that the remission of rates shall not apply to any charitable institution occupying an area of land greater than one acre if within a borough, or three acres if outside the bounds of a borough. I hope the Council will give the Bill a second reading. Bill read the second time. The Council adjourned at three o'clock p.m.

HOUSE OF REPRESENTATIVES. Thursday, 17th October, 1901. First Readings-Payment of Members Bill-Military Pensions Bill -- Payment of Interest on \$500,000 New Zealand Debentures Invested by

Public Trustee-Waimate Hospital District Bill -Ocean Mail-service -. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READINGS. Local Bodies' Goldfields Public Works and Loans Bill, Local Bodies Loans Bill, State . Coal-mines Bill. PAYMENT OF MEMBERS BILL. A message was received from His Excellency the Governor, transmitting draft of a Bill in- titled " An Act to provide for the Payment of Members of the General Assembly," and recom- mending the House to make provision accord- ingly. The House divided on the question, " That the message, together with the Bill, be referred to the Committee of the Whole for considera- tion." AYES, 33. Arnold Flatman Kaihau Bollard Fraser, A. L. D. Lawry Carncross Gilfedder McGowan Hall Carroll Mckenzie, R. Hall-Jones Colvin McLachlan Duncan Hogg McNab Field Hornsby Millar Fisher Mills Houston Hon. Mr. W. C. Walker Napier Steward Tellers. Palmer Tanner Barclay Parata Ward. Laurenson. Seddon NOES, 25. Allen, J. Russell, G. W. Herries Hutcheson Russell, W. R. Atkinson Thompson, R. Bennet Lang Buddo Lethbridge Thomson, J. W. Collins Massey Willis. Mackenzie, T. Fowlds Tellers. Meredith Fraser, W. Pirani Graham Monk Rhodes. Hardy O'Meara PAIRS. For. Against. Morrison Smith, G. J. Smith, E. M. McGuire. Majority for, 8. Motion agreed to. # IN COMMITTEE. The Committee divided on the question, "That the Committee recommends the House to make provision in accordance with His Excel- lency's message." AYES, 33. Hall Arnold Millar Barclay Hall-Jones Mills Bollard Palmer Hogg Carneross Hornsby Parata Carroll Seddon Houston Colvin Kaihau Tanner Duncan Ward Lawry Field Witheford. McGowan Fisher McKenzie, R. Tellers. Flatman McLachlan Laurenson Fraser, A. L. D. McNab Napier. Gilfedder NOES, 24. Allen, J. Russell, W. R. Lang Lethbridge Smith, G. J. Atkinson Bennet Massey Thompson, R. Buddo Mic . enzie, T. Thomson, J. W. Meredith Collins Willis. Fraser, W. Tellers. ()' Meara Hardy Rhodes Graham Herries Russell, G. W. Pirani. Hutcheson Majority for, 9. Motion agreed to. Resolution reported to the House and agreed to, and Bill read a first time. MILITARY PENSIONS BILL. A message was received from His Excellency the Governor transmitting draft of a Bill in- titled " An Act to amend ' The Military Pen- sions Act, 1866,' and to extend the Provisions of ' The Military Pensions Exten-ion to Con- tingents Act, 1900,' so as to include the Sixth and Seventh Contingents." and recommending - the House to make provision accordingly. The House resolved itself into Committee of the Whole.

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On the question, That the Committee recom- mend that provision be made in accordance with His Excellency's message, Mr. J. ALLEN (Bruce) said,-Sir, before the Bill goes any further I desire to know whether this measure contains anything more than has been indicated to us by the Chairman of Com- mittees. I understand all it is intended to do is to include the Sixth and Seventh Contingents under the Pensions Act. Some little time ago I had the honour to ask the Premier a question about certain amendments of the Pensions Act. As it now exists on the statute-book it provides for pensions being given to men who have actually been wounded in the war, and it does not go to anything like the length of the Im- perial Act, which provides that men although not actually wounded in battle but who have received injuries to health can claim a pension. We have no such provision in New Zealand, and I want to know whether the Premier will amend the Act this session so that men who have come back from the war and were either injured in the performance of their duties, but not actually in fight, or who have had their constitutions so undermined that they cannot work again, should be provided for under our Act. I wish to know from the Premier whether in this Bill there is any amendment to make such a provision. Mr. SEDDON (Premier) .- I desire to say, Sir, that the measure goes further than the mes- sage indicates : there are seven or eight clauses in it. What I am going to do is this: I am extending the Act to apply to cases in which both the father and the mother are alive. At present the Act only applies to cases in which the mother, or widow, or children are alive. They are the only ones who can receive benefits as the Act now stands. If the father is alive, then the mother can receive nothing, although in some cases that have

come to my knowledge the father is unable to work, and was really kept by the son as well as the mother. The honourable member is wrong in what he says about the Act and its application. Our present Act does apply to the cases mentioned by the honourable member, and is not confined solely to the cases of those who have been wounded in battle. Mr. J. ALLEN .- It does not cover ill-health. Mr. SEDDON .- It applies to those who meet with accidents. Our law is really a transcript of the English Act. An Hon. MEMBER .- NO. Mr. SEDDON .- Well, our original law was a transcript of the English Act. However, I will look into the point that has been raised. I am of opinion that the Act does cover the cases referred to. For instance, if a man has lost the use of his limbs by sickness I consider the Act covers his case, and properly so. Mr. T. MACKENZIE (Waihemo). - Sir, I wish to ask the Premier about the case of men who are not connected with our contingents, but who, belonging to the colony, have suffered in the war. I am informed that many who wished to join our contingents and were Queen. The colony is doing a great deal for the men who were sent direct from the colony, but it will not do anything for those men who went there at their own expense. I think the Premier would be justified in looking at some of these cases. Mr. SEDDON (Premier) .- Sir, I do not consider we should be held responsible for such cases as the honourable member for Waihemo has mentioned. We have trace of those who left the colony as members of our own contingents, and, if we extend the Act to include those who, although belonging to New Zealand, went to South Africa from other colonies or from the Home-country, we are touching an unknown quantity. I may say I have gone the length of doing this: Some men were stranded in Melbourne, and I assisted them back to New Zealand by paying their passages ; but that is the furthest I have gone with men outside our contingents. As to what the honourable member also says, I understand some expense was incurred on behalf of a trooper who died, and the department could not see their way to authorise the expenditure. It was only a small amount that was involved, and, as the services had been rendered, I authorised payment. Motion agreed to. Resolution reported to the House and agreed to, and Bill read a first time.

PAYMENT OF INTEREST ON £500,000 NEW ZEALAND DEBENTURES INVESTED BY PUBLIC TRUSTEE. Mr. DEPUTY-SPEAKER .- I have to report that I have received the following communication from the Controller and Auditor-General :- " Audit Office, 16th October, 1901. "The Hon. the Speaker of the House of Representatives. "THE Controller and Auditor-General has the honour most respectfully to submit to the House of Representatives, in accordance with the provisions of section 9 of 'The Public Revenues Act Amendment Act, 1900,' a copy of the correspondence in a case under that section of difference of opinion between the Audit Office and the Treasury on the question whether the public revenue should be credited with the amount paid out of the Public Account for interest on the New Zealand Government debentures, in which the Public Trustee has invested the sum of \$500,000 received by him under section 8 of 'The Bank of New Zealand and Banking Act, 1895.' "J. K. WARBURTON, Controller and Auditor-General." Mr. SEDDON (Colonial Treasurer) .- This is a technical question that has been raised between the Audit Department and the Treasury, but up to the present time the Public Trustee has paid the interest direct into the Treasury. The Controller and Auditor-General is of opinion that it should be paid into the Public Account, and then be drawn out and paid in in the ordinary way. The matter has been referred to the Law Officers, and they are of opinion that the Controller and Auditor-General is in-

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That the papers be referred to the Public Accounts Committee. Mr. J. ALLEN (Bruce) .- I wish to ask the Premier whether the Public Accounts Committee will have time to consider this matter and report to the House upon it this session. As a matter of fact, the question has been before the Public Accounts Committee already, I think, and the time of this House should be and I regret that the Premier did not take the advice given to him by some of his friends on the Committee. And I myself thought myself his

friend in making the suggestion which I made to him, but which was not adopted. I suggested that it would be | a very easy thing to amend the law and get rid of the difficulty about the payment of this in- terest, and I moved to that effect. That would have been a simple and easy way of settling this difficulty - namely, by bringing in an amending Bill, which would have been passed in ten minutes. Mr. SEDDON .- Will you guarantee that it will be passed in ten minutes ? Mr. J. ALLEN .- Yes, as far as I am con- cerned it will; but, of course, I cannot answer for other members. I do not see, however, why anybody should object to such an amend- ment with respect to the payment of this interest in connection with the Bank of New Zealand. Mr. SEDDON (Premier) .-- If the honourable member thinks that we can pass a Bank of New Zealand Amendment Bill in ten minutes I am afraid he does not know much about it. Mr. J. ALLEN .- I do not suggest bringing in a Bank of New Zealand Amendment Bill. Mr. SEDDON .- But, from what you say, the Act requires altering. Mr. J. ALLEN .-- No. Mr. HALL-JONES. - It requires altering to do what you now suggest. Mr. J. ALLEN .- Such a Bill would certainly get rid of this difficulty. I would have no ob- jection to it if it came down. Mr. FISHER (Wellington City) .- I put it suggestively, and in the most courteous manner, that if this matter is to be referred to the Pub- lic Accounts Committee I hope the Committee will dispose of the question with expedition. The time of the Committee has been too much taken up this session in prolonged examinations into the too frequent and, as it appears to me, needless objections of the Auditor-General. May I point out that the Committee has now before it a large and important matter of extreme urgency-namely, the decision to be arrived at in regard to the petition of the Mid- land Railway debenture-holders. Now, I ask the House -- again, I say, in the most respect- ful and courteous manner-why the time of that Committee and the time of the House should be again wasted in discussing points raised by the Auditor-General which have been already disposed of by the Public Accounts Committee and by this House. If the Commit- tee had nothing else to do but to frivol away its | tion. I say the Controller and Auditor-General time in this manner I would not object ; but , is only performing the duty which his high having before us the petition of the Midland office demands of him, and which Parliament Air. Seddon session being now so short. I ask the House to consider whether this communication from the Auditor-General, together with others which we have already in hand, should not be dealt with in the most expeditious manner possible. I think it a pity, at this stage of the session, that the time of the Public Accounts Com- wasted in twice discussing points which have been already deliberated upon and decided upon. I take it that, as a matter of form, this com- munication from the Controller and Auditor- General will go before the Public Accounts Committee. Mr. SEDDON. - There is no other way to deal with it Mr. FISHER .-- Yes, I understand that ; but I do hope that when the Committee meets it will waste no further time in di- cussing these pragmatistical objections of the Auditor General. I speak with no disrespect to that officer, an officer whose reports and recommendations ought to be received with respect ; but after deep consideration of the many communica- tions from the Controller and Auditor-General which have been referred by this House to the Committee, and knowing that there is no point of difference in this case to those we have already investigated and decided upon, I say that the time of Parliament at this stage of the session ought not to be wasted in this way. I speak firmly upon the matter now, because we have before the Committee the important question whether or not com- pensation is to be given to the debenture- holders of the Midland Railway Company ; and that question, and that question alone, is sutt- cient to exhaust the remaining time at the dis- posal of the members of the Public Accounts Committee. Mr. HERRIES (Bay of Plenty) .- An omis- sion, I think, has been made. I think the motion should be, That it be laid on the table of the House and referred to the Committee, and that it be printed. Mr. SEDDON. . Yes; I asked to put it in that form. Mr. W. FRASER (Wakatipu) In corro- boration of the statement of the Chairman of the Public Accounts Committee, I cannot help thinking that a good deal of time will be lost by referring this matter to the Public Accounts Committee. The Committee has already had a similar question referred to it, and has reported thereon this session ; and what was the

nature of that report ? Why, Sir, the same report that has been given with regard to every objection raised by the Auditor-General. We know beforehand what the report will be, and therefore it will be a clear waste of time to refer this correspondence to the Committee. I must, however, take exception to a remark made by the honourable member for Wellington City (Mr. He referred to the protest of the Fisher). Auditor General as simply a pragmatism

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finds the Treasury proposing to act in a manner contrary to law he does his best to prevent it. If he did not so act, of what earthly service would he be to us? None whatever. I am not going into the merits of this case. Probably the House may have an opportunity of discussing that when the report of the Public Accounts Committee comes down ; but I do hope the Committee will deal with the other important matters now before it prior to considering this subject. Mr. PIRANI (Palmerston) .- Sir, I could not help being struck with the reference made by the Chairman of the Public Accounts Committee to the proceedings of the Committee. If members of the House knew as much of the working of the Committee as I do, and attended the sittings of that Committee as often, they would have some remarkable revelations of the Right Hon. the Premier's methods. Why, the Premier takes as much as three hours sometimes to examine one of his own officers. The whole of the rest of the Committee take about ten minutes over each subject, while the Premier himself monopolizes from about two to four hours. In fact, at one sitting the Premier took up the whole of the time, and the Committee adjourned without any one else being able to examine the witness, and the nature of his examination right through was foreign altogether to the question at issue. The Premier's explanations, as a rule, in these matters- Mr. DEPUTY-SPEAKER .- The honourable member is transgressing the rule that proceedings before a Committee cannot be discussed till the Committee reports. Mr. PIRANI .- I am referring to matters which have been reported to the House this session. Five inquiries upon questions in dispute have been reported to the House this session, and I am referring to one of these in connection with interest on the \$500,000. Mr. SEDDON .- The honourable member is misleading the House in referring to this question. That question has not yet been reported on by the Committee. Mr. J. ALLEN .- Yes, it has. Mr. PIRANI .- I am not referring to the one which the Premier is pretending I am referring to. He knows I am not quite such an ass as to do that. Mr. DEPUTY-SPEAKER .- The honourable gentleman must confine himself to matters which came before the Committee and have been reported upon. Mr. PIRANI .- I am doing so. I know this : that if ever I am caught tripping in this House it will not take the Premier five minutes to get me suspended. I know his little game, but he will have to get up a little earlier to catch me tripping. Now, the Committee have not only reported on this question, but here is the evidence which has been taken ; and yet the Premier actually has the audacity to say I am referring to a matter which has not been reported on. Here is a resolution moved by the member for Bruce on the question I refer to :- is necessary that the law should be altered to provide for the payment of the interest received by the Public Trustee on account of the \$500,000 which he has received from the bank to the Consolidated Fund, to meet the interest on the inscribed stock." Now, if that motion had been given effect to it would have disposed of this matter without any necessity in the future for coming to the House at all on this question. But the Premier is always obstinate where he thinks he is going to be proved to be in the wrong. But he does not mind wasting the time of Parliament, the time of the country, and his own time when he is in fear he might be proved to be wrong. A really strong man is always willing to admit when he is wrong, and to alter his course accordingly, knowing that even strong and able men are liable to make mistakes ; but the greatest sign of weakness the Premier exhibits in his administration is that he never will acknowledge the possibility of having made a mistake. Now, I am not going to enter into the merits of the question, because it is impossible to do that without a careful perusal of the papers. What I am going to refer to is the manner in which the business of the Com-

mittee is conducted, not by the Chairman, not by the members, but by the Premier, and especially in view of this fact : that all these inquiries are inquiries in reference to disputes between the Premier and the Auditor-General. If you look up the Interpretation Act you will see that "Treasury" means the Colonial Treasurer," and so all these disputes are matters in dispute between the Colonial Treasurer and the Auditor-General ; and yet the Colonial Treasurer assumes the role of prosecutor at the Committee, and wastes almost the whole of the time in long-winded examinations that tend to nothing- except to show his anxiety to discredit the present Auditor-General-that do not settle the matter in dispute, and simply prevent the Committee from examining carefully into the merits of the case at all. I submit the investigations of the Public Accounts Committee as at present carried out are next to useless, and it is a shame that all the Committee's time should be occupied in matters which could be settled outside the Committee if the Premier obeyed the law ; while really important questions-like the Midland Railway question -are waiting investigation at the hands of that Committee. I trust the Premier will see the wisdom of doing what was stated in evidence he has done in hundreds of other cases namely, submitting to the decision of the Audit Office, and doing what the Audit Office considers right. Under our law the Audit Office has to give its opinion, and, if it considers that opinion is a right one, it is a dereliction of duty if that opinion is not maintained. Yet, notwithstanding that fact, the Premier, instead of doing what the House expects him to do, - remedying defects of this kind by legislation,- is the cause of bringing these disputes on the floor of the House time after time, when there

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importance to be attended to. Mr. SEDDON .- I did not wish to have a prolonged debate, and therefore simply moved the motion without saying a word. In most matters I like to, and, in fact, do-pay respect to the Controller and Auditor-General. I do not know how I could pay that respect unless by referring a matter of this kind to the Committee. I could have moved merely that this paper be laid on the table and be printed. And, if this sort of thing is to go on, I do not see why we should waste time, or why the time of the Committee should be taken up with it, but will simply move that it be laid on the table of the House. The Controller and Auditor-General has said, once his decision is given- Mr. PIRANI .- I rise to a point of order. The Premier is referring to evidence given at the last meeting of the Committee on a matter on which they have not yet reported. Mr. DEPUTY-SPEAKER .- If the 3.30. honourable gentleman is doing so he is out of order. Mr. SEDDON .- I am referring to what has been said by the Controller and Auditor-General on a matter that has been reported to the House. He said that if a case had been dealt with by him he would not consider himself bound by the Governor's warrant, and that he would not take it as a guide, but would take the course and give the decision he thought was proper. Mr. PIRANI .- That was the last case. Mr. SEDDON .- He said it in the last case and in the previous case. He said it previously-it is no use beating about the bush- and he repeated it the other day ; but that is not what I am referring to. Now, I concur with honourable members who say it is a shame that the time of the House should be wasted with these matters. What is the position to-day? The Controller and Auditor-General raises certain objections, and holds the opinion that his decision is equal to a decision of the Supreme Court. But he is not like the Supreme Court in this respect : that the Appeal Court decision sets aside his decision, for he says he ignores it. The Appeal Court in his case is, of course, the Governor and the Crown Solicitor. At all events, the appeal is to His Excellency the Governor, and if the Crown Solicitor advises His Excellency that the Controller and Auditor-General is wrong in his decision, then that decision is upset, and the Controller and Auditor-General has to do under the hand of the Governor what is said to be the law by the Solicitor-General. I am pleased to see that there is an anxiety to-day among members to get on with other business. I am as anxious as any one else to see that matter dealt with this session, as a matter of courtesy to the people who are mostly interested ; but it is no fault of the Government that

that matter has not been dealt with. We have had the report of the Commission before us for some time. Then, I was advised by the member for Bruce that we ought to have Mr. Pirani is the law of the honourable gentleman himself. Mr. J. ALLEN .- Why ? Mr. SEDDON .- Because when dealing with the cases now reported on -- that the balance of the interest should have been paid to the Treasury-the member for Bruce asked, What were we going to do with the interest in the future? In the meantime the Audit had passed it; but, on that point being raised by the member for Bruce, the Auditor-General reconsidered it, and came to the conclusion that he must raise the objection now in order to be consistent with what he had done before. And he has so raised the objection, yet the decision, however, although apparently that of the Auditor-General, was really that of the member for Bruce; that will be proved by reading the evidence on the table. It is simply a question of tweedledum and tweedledee. The Auditor-General says the money must be paid into this pocket-the Public Account ; the Treasury says the money must be paid into that pocket-the Treasury ; the Public Trustee says, once put into the pocket of the Public Accounts, it will be taken out of this pocket and put into that. He wants to have this formula gone through before the money reaches its ultimate destination-the Treasury. That is all there is in it. But there is no authority. We shall have to vote every year the interest, and it would be debited against us every year. Otherwise it would have been passed by the Audit Office. The Treasury says to the Public Trustee, " Give it to me to pay the interest." The Auditor-General says you must not do it ; you must pay it into the Public Account, get an authority from Parliament, write a cheque for it, and then you can pay. The Act says it is a matter between the Treasury and the Bank of New Zealand. It will come before the Public Accounts Committee ; they will report to the House. It will come back to the House, and there will be something said, and there it will end. As regards my action at the Public Accounts Committee, I think every member will realise that, where there is a matter concerning the finances of the colony before the Committee, it is the duty of the Colonial Treasurer to stop. I am acting within the law. That is my position, and I had to examine at some length the Controller and Auditor-General and other officers. It was to elucidate facts, and it saved time, because, being acquainted with the facts. I am in a better position to deal with the matter. If members look at the reports of the Committee they will find that very few questions were asked by other members. Why? Because the facts have been elucidated by the Treasurer. That is the position. I was only there in the performance of my duty. The statement made by the member for Palmerston as to occupying the time of the Committee on any occasion for a full sitting I give a most unqualified denial to. I know what he was referring to, but that question has not yet been reported on. But the honourable member had to get out of your clutches, Sir, and he did so by a slight equivoca-

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did my best according to my light. If I brought in a Bill to alter the law it would not improve matters at all, and if I brought in an amended Bank of New Zealand Bill we should have here upon that Bill a general discussion, Bank of New Zealand versus the colony, and I want to keep the Bank of New Zealand off the floor of the House as long as I can. To alter the Bank of New Zealand Act to meet a case of this sort would appear to me to be simply using a steam hammer to crack a nut, and I do not think it is worth while to ask the House to waste time over it. Now, the honourable member for Bruce says I could bring in a Public Revenues Bill and get it through the House in ten minutes. I say if I brought in such a Bill we should be kept here for weeks discussing it, and hence it is better to accept the law as it stands. Next session I shall move that all papers from the Controller-General do lie upon the table of the House, so as not to waste the time of the House and country by bothering with them at all. Motion agreed to. WAIMATE HOSPITAL DISTRICT BILL. Mr. GRAHAM (Nelson City) brought up the report of the Local Bills Committee on this Bill, to the effect that, the Standing Orders not having been complied with, the Bill be not allowed to proceed. Major STEWARD (Waitaki) was not going to move that the report be sent back to

the Committee. as he had taken the step of introducing another Bill. But he wished to draw the attention of members interested in local Bills, and also of the head of the Government, to the fact that there was an ambiguity in the present Standing Orders which required to be remedied. Standing Order No. 385 said, "No local Bill shall be read a second time unless notice shall have been given of the said Bill in the locality to which the Bill refers." Now, this Bill referred to the County of Waimate, and it was advertised there in accordance with the requirements, as the promoters thought, of the Standing Orders. Now they had been told that they had not complied with the Standing Orders because the advertising and the deposit of the plan did not take place at Timaru, the opinion being held by the Local Bills Committee that the district from which Waimate desired to be separated was that in which the Bill operated. The Committee was undoubtedly the proper body to interpret the Standing Order, and therefore he did not propose to argue as to the correctness or otherwise of the Committee's decision ; but he believed it was imperative that the Standing Order should be made explicit, as otherwise many members might lose their local Bills. On this occasion it would not be, so far as he was concerned, as he had had time to comply with the view of the Committee, and the Bill had been readvertised and the plans deposited afresh. It was, however, absolutely necessary that the Standing Orders should be explicit on the point to which he had drawn attention. Works) agreed with much that had been said by the last speaker, and it did seem to indicate that an amendment of the Standing Orders was required. The question was this : In making any subdivision of a district for the purpose of forming a new county, or a new hospital district, whether, in accordance with the Standing Order, to deposit the Bill at the principal Court-house in such district. He thought it was very clear what the intention of the Standing Order was : that full notice should be given in all parts of the district affected by a local Bill. In this case it appeared that publicity had not been given to the Bill in the greater part of the district that was affected. In the largest portion of the district nothing was known of this Bill until it was introduced into the House. Mr. FLATMAN (Geraldine) thought the Local Bills Committee had undoubtedly done right in connection with this Bill. He had a letter from the Chairman of the Hospital and Charitable Aid Board saying that his Board knew nothing whatever of this Bill coming forward. It had simply been advertised in Waimate, which was at one end of the hospital district, and had never been advertised in the Timaru or Geraldine paper, and the Chairman himself never had any notice of the Bill. He thought the Local Bills Committee were right in the stand they had taken. Mr. MILLAR (Dunedin City) said, No doubt a very important point had been raised : but it was as well that the House should declare as to the position taken up by the Committee. This Bill made provision for the subdivision of a district of a duly constituted Hospital and Charitable Aid Board district. The Standing Order said that the plans should be deposited in the chief Courthouse. In this case the Bill was advertised in one end of the district, and the plans were duly deposited in the Courthouse there, but not in the chief Court-house of the district, and no opportunity was given to that part of the district to know what was going to be done. It would be a question for the House to consider later on whether any portion of a district could break away and comply with the Standing Orders by advertising in one part of the district. The Local Bills Committee had no intention of blocking any Bill; but, where the Standing Orders had not been complied with, they had so reported to the House so that the House might discuss it. Mr. R. MCKENZIE (Motueka) said the Standing Orders had been in use since 1894, and during that time there must have been a hundred or more local Bills considered, and it was remarkable that this alleged mistake in the Standing Orders had not been discovered. The position was that the Minister before. for Public Works represented Timaru, and Timaru was interested in blocking this Bill. He raised a technical question to try and kill the Bill. The Chairman ruled that the Standing Orders had not been complied with because the Bill had not been advertised in the Borough of Timaru, and the Borough of Timaru had nothing whatever to do with it. This measure

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getting portions of counties separated from counties every session nowadays, and it had never yet been found necessary to advertise the separating Bills even in the principal towns of the counties ; so that, personally, he would like to have Mr. Speaker's ruling on this question, as to whether, if a Bill was advertised in the locality in which it was to be in operation, and deposited in a Magistrate's Court in that locality, whether the Standing Orders were not then complied with. Mr HALL . JONES (Minister for Public Works), in personal explanation, said the honourable member for Motueka had insinuated that he was personally interested in this matter. He said he had no personal interest in the matter. He relied on Standing Order No 337, which read as follows :- "If there be more Magistrates' Courthouses than one situated within the district in which the Bill is to have operation, then the Bill is to be deposited at that one of such Court-houses which is nearest to the centre of such district." Now, the district in which the Bill was to be in operation was the South Canterbury Hospital District, and Timaru was the principal and the most central Courthouse in that district, and he would be very glad if Mr. Speaker would follow the suggestion of the honourable member for Motueka and advise the House on this subject. Mr. GRAHAM (Nelson City) said the honourable member for Motueka made the remark that the present Standing Orders had been in operation since 1894, and that it was very remarkable that a case of this kind should only come up now. He would suggest to the honourable member that it was quite possible that a similar case had not occurred before. He felt convinced that such was the case. He had been Chairman of the Local Bills Committee for two Parliaments now, and that covered by far the greater portion of the time during which these Standing Orders had been in operation, and during the whole of that time no such question had until now come before the Committee for its decision. The honourable member for Motueka was also good enough to interject, when the member for Waitaki was speaking-and he must say the member for Waitaki put the case quite fairly -- that the decision was not that of the Committee, but the decision of the Chairman. Mr. R. MCKENZIE .- I said " the ruling." Mr. GRAHAM .-- So far as the ruling went, the Chairman was the one person on the Committee whose duty it was to give the ruling, which was given after full discussion, and the only member who differed from the ruling of the Chairman was the member for Motueka. Every other member who was present on that occasion cordially concurred with the ruling of the Chairman. Under the circumstances, it did not speak well for the honourable member for Motueka to come into the House and say, or even imply, that the ruling was not supported by the Committee, but was only the ruling of Mr. R. McKenzie the Chairman, but it conveyed absolutely the feeling of the Committee, with the exception of the honourable member for Motueka himself, who, by-the-by, did not very often attend the meetings of the Committee. It was a matter of considerable importance, and also of considerable difficulty ; but he was sure in the present instance that, in addition to himself, the Committee, with one exception, thought that the ruling was in accordance with common-sense and in accordance with the true meaning of the Standing Orders. There were doubts and difficulties with reference to many of these questions, and he agreed with those who said that the Standing Orders should, if possible, be made more clear, so that there could be no possible doubt whatever about similar matters in the future. When decisions or rulings were given they had to be given in accordance with the best judgment at the time of those who gave them, and these were the very occasions which showed the necessity of making alterations, if possible, in the Standing Orders, to make more clear for the future points which were difficult and complex at the present time. Mr. R. MCKENZIE (Motueka) desired to make a personal explanation. The honourable member for Nelson City, with characteristic veracity, had indicated that the decision he stated was the unanimous decision of the Committee excepting himself (Mr. McKenzie). As an absolute matter of fact, it was nothing of the kind-it was simply the honourable member's own ruling. As regarded his (Mr. R. McKenzie's) attendance at the Committee, he might state that he was a member of five Select Committees, most of which invariably

met at the same hour on the same day, consequently he found it impossible to attend them all. He attended the meetings fairly regularly ; but the Chairman of this Committee -the member for Nelson City -- was such an amiable individual that it was much more pleasant and agreeable to be absent than to be present. Motion agreed to. OCEAN MAIL-SERVICES. Sir J. G. WARD (Postmaster-General) moved the following resolutions : - "San Francisco Mail-service. "1. That, in view of the temporary agreement with J. D. Spreckels and Brothers Company (the Oceanic Steamship Company, of San Francisco) for the performance of a three-weekly service between San Francisco and Auckland for one year expiring next month,- "(a.) This House authorises the Government to enter into a contract with the said company for a renewal of the present San Francisco mail-service for a term of three years, subject to the following conditions :- "(b.) That the payment for the conveyance of mails from New Zealand to San Francisco shall be at the rate of 7s. 6d. per pound for letters, 1s. per pound for books, packets, &c., and 6d. per pound for newspapers ; or

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ments, a fixed annual subsidy of \$20,000 be paid, provided that one British-owned steamer, registered in New Zealand, be employed in the service. " (i.) That the time between San Francisco and Auckland shall not exceed seventeen days. " (c.) That no bonus shall be paid for early arrival, and a penalty at the rate of £4 an hour shall be enforced only when late delivery exceeds forty-eight hours. " (f.) That all mails tendered to the contractors at Auckland and San Francisco by or on behalf of the Postmaster-General of New Zealand shall be conveyed by the contract vessels, and sufficient and secure accommodation provided for the same. " (g.) That suitable accommodation and lighting shall be provided for the purpose of sorting the mails on board the contract vessels, and first - class accommodation provided, without charge. for a mail agent and an assistant, or, if required. two assistants. "(h.) That, during the continuance of the contract, and so long as the same shall be faithfully carried out by the contractor, no charge for harbour dues, dock dues, or other rates shall be made or levied under 'The Harbours Act, 1878,' or any amendment thereof, or under any special Act in that behalf, at the Port of Auckland, for any of the steam-vessels employed in carrying out the contract. " (..) That any agreement entered into between the Postmaster-General of New Zealand and the J. D. Spreckels and Brothers Company shall, where applicable, follow the provisions of the agreement entered into between the Postmaster-General and the Union Steamship Company of New Zealand (Limited) on the 14th day of August, 1895, and the renewed agreement made on the 11th day of April, 1899. " (j.) And that the terms and conditions of clause 7 of the agreement of the 14th day of August, 1895, providing for the detention of the vessels at San Francisco for the mails from Great Britain, shall be given effect to as far as may be consistent with the contract subsisting between the J. D. Spreckels and Brothers Company and the United States Government. ## " Vancouver Mail-service. "2. That, in the event of it being found impracticable to arrange a contract for the three-weekly San Francisco service on the foregoing terms, this House authorises the Government to enter into negotiations for establishing a three-weekly or a four-weekly Vancouver mail-service, subject to the following conditions :- " (a.) That the contract shall be for a term of not less than three or more than five years. "(b.) That the payment shall not exceed 920,000 a year. " (c.) That the service shall be performed by vessels of not less than 6,000 tons, having first-class passenger accommodation and fitted with all modern improvements, and also refrigerating chambers, and chilled chambers for fruit and dairy produce. days between Vancouver and a New Zealand port, the selection of which to be at the contractor's option. "(c.) That the terms and conditions of contract in respect of the San Francisco service shall be applied to the Vancouver service so far as they can be adopted. " Federal Mail-service. "3. That the Government shall also negotiate for a fortnightly intercolonial service to provide prompt connection with the Federal mail-service at Melbourne and Sydney,- " (a.) Between Wellington

and Sydney ; or " (b.) Between Melbourne and the Bluff ; and, in addition, in the event of the San Francisco service not being arranged, "(c.) Between Sydney and Auckland." Sir, I think it would be more convenient to the House if, in moving, That Mr. Speaker do leave the chair, in order to go into Committee, that I should do so in order to have the benefit of the Standing Orders, which give me half an hour to speak upon the resolutions which I now propose. In moving the resolutions submitted to honourable members, I desire in the first place to refer to the altered conditions of the mail-services, and to endeavour to explain to honourable members why the proposals have been submitted in the form in which they are. I should like, in the first place, to deprecate very strongly the attempted cry which has been raised in connection with this matter of North versus South. I do not think that anything more uncalled for, anything more unfair, anything more unjust, or anything more calculated to prejudice the resolutions which the Government are submitting could possibly be done by the Press of Auckland, and by some gentlemen who profess to have the interests of the San Francisco mail - service at heart, than what has been done in connection with this matter; and I would like to refer for one moment to an article which has been placed in my hands just this moment - an article published in the New Zealand Herald. Anything more discreditable by way of suggestion in relation to a question of this kind I have never read; and I say the worst friends of the Frisco mail-service are the men, prompted by unworthy motives, who have inspired or written that article. I deprecate again, in the strongest possible terms, the base insinuations contained in the article in question, which are absolutely untrue, and therefore unjust and uncalled for. And here I may state that no such thing as an arrangement or understanding of any kind was made by the Government with any person, direct or indirect, in reference to the Vancouver mail-service resolutions. They were not submitted to anybody, or discussed with anybody, before they left the Cabinet, and circulated amongst members of the house. I may now explain why the Government have found it impossible to submit resolutions to the House on the basis of the existing arrangement of 10s. 5d. per pound on letters, with the other subsidiary rates.

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the 10s. 5d. rate, and in view of that fact we made proposals upon a lower basis of 7s. 6d., with the honest desire to do our best to carry them through, believing it to be in the best interests of the country that the San Francisco mail-service should be continued, and that these modified proposals would enable the service to be carried on. I will presently endeavour to show honourable members why that should be done. Now, I may here say that, in order to do what is fair in the matter, I will submit an amendment to fix the minimum in the event of the first resolution being carried, upon a basis of 7s. 6d. per pound, at \$15,000. I think that is only fair, and I will tell members why it should be done. We ought not to place the colony in the position of being entirely at the will or the whim of the owners of the steamers now running to San Francisco, however good that line may be, without a proper agreement, and I will endeavour to explain what I mean by that proposal. The last ten trips of the Oceanic steamers, based upon 7s. 6d. per pound on letters, would give £15,463 to the steamship owners; and when honourable members remember that Mr. Spreckels's first proposal was £30,000 for Australia and New Zealand, they will realise that a guarantee of £15,000 for New Zealand alone is not by any means an unreasonable sum to offer in connection with the service, if \$30,000 from the Australasian Colonies was considered by him to be full remuneration for the service-because that was his own offer. Honourable members will also realise that if New Zealand were to pay £26,562, the amount which Mr. Spreckels is asking, it would be over nineteen-twentieths of the whole cost of the service, which, in my opinion, is unfair. Under the impression, which I think is unfounded, that those who are anxious for the service will by their action force the colony, without negotiating upon proper business lines for the maintenance of the service ; and because we will not yield to unfair proposals, a hue and cry is got up that Government is hostile, and is not going to allow

the service to come to the colony at all. Honourable members will know that we have had placed before us the fear that the service was going to Queensland—that the Queensland Government would take the service ; but we have seen, upon the authority of the Queensland Government, that that is not the fact; and I do not believe that, knowing the development that is going on in the colony, any man of the business acumen of Mr. Spreckels would for a moment drop the service with a guarantee of \$15,000 based on 7s. d. per pound for letters, which, as I have said, for the last ten trips would amount to \$15,463 a year. Now, it is only natural to suppose that the owners of the San Francisco steamers are being kept well posted up as to what is going on in New Zealand ; and it is only natural to assume that the representatives of the steamers here advise the owners that political pressure can be brought to bear, and it is that which is causing them to stand out in order to get \$26,562 from the colony for the Sir J. G. Ward possible to carry any such proposal. The Government is not favourable to anything like a \$26,000 subsidy, but that it is its duty to obtain the service for the colony at a fair rate, and not by paying an excessive sum for it. I venture to express the opinion that a service with a guarantee of \$15,000 is a fair proposal, and that the sooner the representatives of Mr. Spreckels and the friends of the service in the northern City and Mr. Spreckels himself realise that we are not going, because of political pressure, to pay an excessive sum for the service the better it will be for the maintenance of the service, and for its continuance for some time to come. So long as it is believed that because of the exercise of political pressure the country will be forced to pay more than the service is worth, so long will the people continue to agitate against it. And I say, when we are now proposing a renewal upon the basis of a guarantee of £15,000 a year, we are doing that which is fair. Mr. BOLLARD. - Why do you not offer £20,000 ? Sir J. G. WARD. - The honourable member for Eden says, Why do we not offer \$20,000 ? My answer is, because we could not carry it in the House. In the first place, we have never yet had a single indication from the owners of the steamers that they would accept \$20,000. Every effort that has been made so far on our part has been met with a negative answer. When we proposed £15,000, what answer did we get ? We got a curt "No," clearly showing that the owners of the steamers thought that by standing out for more and by bringing pressure on the Government they would force it to increase the \$15,000. If we were to make it \$20,000 I have no doubt Mr. Spreckels would again stand out for \$26,000; and I say we are not prepared to give it, because we could not carry it. Mr. MASSEY. - You offer £20,000 for a Vancouver service. Sir J. G. WARD. - Yes; and I will deal with that presently ; and I will tell the honourable member, as he has raised that question, that there has been a change in feeling throughout the colony, and the cause of that change in feeling is because of the exclusion of British-owned steamers from the Frisco service. I say, every member of the House knows that. The Government, in making these proposals, are not looking merely at the interests of Auckland, but at the interests of the colony as a whole. I say the change of sentiment is due to the fact that, owing to the acquisition of the Sandwich Islands by the United States, the application of its navigation laws has made it impossible for British-owned steamers to remain in the service. This is the great difficulty, because that change has made a material difference in this matter, and that is the new position we have to face. I hold in my hand a letter which was sent to the Government on the 28th June last year. It was written on board the s.s. "Moana," en route to San Francisco, and will be found

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members will find the names of gentlemen who are strongly in favour of the continuance of the San Francisco service; and in that document they urge the Government not to renew it unless a British-owned steamer was included. Here are the names : E. Shircliffe (chairman), Frank Oakden, Chas. Rhodes, W. H. Argall, Andre P. Griffiths, F. N. Adams, A. H. Briscoe, D. Dobbie, Rowland Bramwell, Jno. Duthie, D. E. Turnbull, John Campbell, R. G. O. Platt, Wm. A. Mercer, E. G. Jellicoe. These gentlemen, or most of them, were previously in favour of the continuance of the San Francisco mail-service. Take the case of

Mr. John Duthie, of Wellington, as an instance. He now wants the service continued. Yet in this memorandum to the Government there is a clause in which they urge that we should not renew the contract unless there is a British-owned steamer in the service. That is the difficulty we have to face : the absence of the British-owned steamer. And I know of nothing that could more strongly indicate the intense feeling raised by the compulsory exclusion of a British-owned steamer than the petition sent me by the gentlemen whose names I have read. I say, notwithstanding that difficulty, we ought not to let the service go, and I will give my reasons for it presently. Now, why was the provision for the British-owned steamer included in this proposal ? If honourable members look at subsection (c) they will find this, - "That in lieu of the foregoing payments, a fixed annual subsidy of £20,000 be paid, provided that one British-owned steamer, registered in New Zealand, be employed in the service." Why is that included ? It is included for this reason : that if the present owners accept the 7s. 6d. subsidy they will still have the right, in the event of their including a British-owned steamer, to obtain a subsidy of £20,000 for a period of years. We have asked the British Government to use its influence with the United States Government to open the highway to British ships between Honolulu and San Francisco; and we hold that out to Mr. Spreckels as an inducement to bring pressure to bear upon the Washington Government to include a British-owned steamer in the service. Then, the idea is at once taken up that this is put in with a view of killing the service. It is with the object of trying to meet public sentiment, and to hold out inducement, as we ought in this country, by representations to the United States through the British Government, to have this bar against British-owned steamers between San Francisco and Honolulu removed ; and we desire Mr. Spreckels, if he will, to work in the same direction. That is the reason we put that in as an alternative proposal, and under the circumstances I do not understand how anybody could assume it was put in to militate against the service. I want now to say that the Government is asking the House to agree to give it the power to effect the alternative proposals contained in the resolution - Spreckels declining to carry on the San Francisco mail-service on the basis of 7s. 6d. per pound for letters, with a minimum of \$15,000 guaranteed, this country ought not to be in the position of having its important mail-services left unprovided for. There should be some authority given for an alternative route to be carried out, and the only alternative routes are by way of Vancouver, or by the Federal line, or a direct line. Let us suppose Mr. Spreckels declines - I am now viewing the matter from the standpoint of some of my friends from Auckland - and suppose Mr. Spreckels does decline, which is very improbable indeed, do honourable members mean to tell me we cannot then give effect to some other proposals which would meet the circumstances of the North in as good a form, if not better, than under the existing conditions. Of course we could. If we were to establish a Vancouver service, it is a mistake to suppose the time occupied would be much longer than the present time. It would not be much longer than the Frisco, as it would be about eighteen days between Vancouver and Auckland. And here let me say that I consider that Auckland should be the port of call for a Vancouver service: Auckland should emphatically be the port of call in the interests of the colony as a whole. If a mail-service is to be carried on successfully, the shortest and the fastest route must be adopted, and the shortest and fastest route is to Auckland by either of the services. As far as the Government is concerned, our intention is, in the event of establishing a Vancouver service, and in the event of Mr. Spreckels declining, that Auckland should be the terminal port in the interests of the colony. But let us suppose we could not get the Vancouver service, and that Mr. Spreckels also declined, what would be the position ? If honourable members will look at the route of the two services, they will find that Pango-Pango has been made the by-port to call at for the Frisco line. Suva was formerly a by-port to call at for the Vancouver line. Well, I ask honourable members, Do they think we could not arrange for the Vancouver service to call at Suva, and by having a fast subsidised steamer service between Auckland and Pango-Pango and between Auckland and Suva, could you not intercept both lines, and if you could not get the main boats to come to Auckland, you could make

Auckland the port of call for a fast subsidised branch service. If you talk about being driven into a corner in the event of Mr. Spreckels not accepting our conditions, I say you are assuming we are nothing but a pack of children. Are we going to have this fetish put up-that unless we lie down and worship the present arrangements, nothing else satisfactory as a substitute can be secured ? It is a suggestion I would not for one moment assent to. I say we will treat Mr. Spreckels fairly, and endeavour to bring him into line ; and if he does not agree, then we can establish a good branch service as indicated, with Auckland as the port of call, which the Government would be quite prepared to do; and

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year to Mr. Spreckels or to anybody else. Mr. BOLLARD .-- It is proposed to give .920,000 for the Vancouver service. Sir J. G. WARD .- I will deal later on with what is proposed, and, I say, if the honourable gentleman and his friends were on these benches and had all the power and force of Auckland behind them, they could not carry \$20,000 a year in the House, nor could you carry 10s. 5d. a pound. And when you cannot do that, and if you want to have the service continued, you must do the next best thing, and that is what we are now asking the House to do. Now, regarding the present position : honourable members will recollect that last year the House authorised a renewal of the service for twelve months on a basis of 10s. 5d. per pound for letters, 1s. per pound for book-packets, et cetera, and 6d. per pound for newspapers, the time not to exceed sixteen days. Those conditions were forwarded to Messrs. Spreckels, who, while they accepted the rates, declined to be bound by any contract, because they had not had an opportunity of trying their steamers to see what they could do. In the interval they have been tried, and it is now conclusively shown by the running of the steamers that they cannot do a sixteen days' service satisfactorily. And in our desire to meet this, and to show that we are anxious to have the service continued, we have extended the time, and made the proposal for seventeen days' service. Messrs. Spreckels have not asked for that ; but we want a mail-service that will run regularly. I have here a return showing the running of the service right through. Time is a very important matter. and we are bound to have a regular service, and we think it is better to give an extra day for what is possible than to stand out for an impossible service of sixteen days. We, of course, prefer a sixteen days' service if it can be done. The return shows the time as running from the 20th October, 1900, to the 10th August, 1901, for the inward service, and from the 6th December, 1900, to the 17th August, 1901, for the outward service. Of fourteen trips inward out of seventeen the steamers were from one day up to four days late; and outward, out of seventeen trips, ten were late from two to five days ; and in one case by time-table twelve days late, but only three days by actual steaming time. The machinery of the steamers was found to be weak, and I find no fault with Mr. Spreckels on that score, as he could not prevent it. I say any new steamers running are liable to such mishaps till they have been properly tried, and though it is not satisfactory, no fault should be attempted to be made on that score. I feel quite satisfied that Messrs. Spreckels have done all in their power, and they will do better, as it is of even more importance to them to run to time than it is to us. But after twelve months' running it is only reasonable to assume the right of the colony to ask that whatever time-table is fixed should be strictly adhered to, barring accidents, of course; and in the interests of the colony we ask that that should be S■r J. G. Ward year the net cost was £10,803, and under the proposals now submitted even if the minimum weight is not exceeded-the net cost will be £16,304, after giving the service credit for all postages received in each instance. An Hon. MEMBER .- Does that include the interprovincial service ? Sir J. G. WARD .- Yes ; it includes the whole cost in connection with the service. An Hon. MEMBER .- How about the penny postage ? Sir J. G. WARD .- That has nothing to do with it at all. The honourable member will find the fullest particulars in a paper I laid on the table to-day. I point out this in order to show that we are not doing as has been suggested by some people : trying to destroy the service by reducing the amount, or, as was suggested in the New

Zealand Herald of Monday last, trying to effect a saving in connection with the penny postage. We have not, nor are we doing anything of the kind. On the contrary, it is the enormous number of extra letters posted since the adoption of the penny postage that has raised the amount up to what I stated in the House was being paid this year-namely, £17,000. With this knowledge before honourable members it will be seen at once that we are not proposing a skimpy payment for the service. On the contrary, I believe we are proposing a very fair one. Previously when Spreckels Brothers applied for £30,000 they included New Zealand and Australia. New South Wales had in the meantime decided not to give a fixed subsidy, but to pay 2s. a pound for letter-carriage and 4s. 6d. per hundredweight for other matter. Under our proposals the cost is \$28,095, while New South Wales gets the benefit of the service for less than \$2,000. For about this sum she gets the whole benefits of a service which is a useful and valuable line to that country in many respects. We do not want to be mean, and we propose what we believe to be fair; yet, when we come down and ask to be supported by the House in fixing a fair commercial agreement, we are charged by some suspicious and narrow-minded people with ulterior motives. This is annoying and disheartening to those who are doing the best they can, and what they believe is for the benefit of the colony. Now, just a word or two regarding the Vancouver mail-service proposals. Honourable members must realise this : that, even should the Spreckels Company decline to accept our proposals as embodied in the resolution of 7s. 6d. per pound, it would take a considerable time before we could hope to be successful in establishing a Vancouver service with New Zealand. The only existing line running that I have any knowledge of that there could be any prospects of negotiating with is under contract with Queensland for two or three years, and that renders it impossible for it to come to New Zealand without breaking the agreement with Queensland, so that whatever we may do about the Vancouver proposal would be to make it the subject of negotiation, and it would take, I should say, from two to three

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running to this colony, unless, as I say, the agreement with Queensland was broken-which we could not expect - or unless an alternative arrangement with another line of steamers could be brought about. I say we ought, notwithstanding our support of the Frisco service, to have power to enter into a contract for a Vancouver line to New Zealand also. We ought to have an opportunity of developing trade with Canada, and we should, I think, obtain the authority of the House to enter into negotiations for a service of that kind. And here I may say that the mails by this route would, according to the information furnished to me, only take a day longer in reaching London, or in reaching Auckland on the return voyage -- that is, one day longer both ways than the Frisco route. Honourable members in discussing these proposals should therefore remember the very important fact, that we cannot enter into a Vancouver service in a hurry. We may negotiate, and we may take all the steps necessary to bring about a contract in the course of two or three years, as the case may be, but you cannot have an actual Vancouver service to New Zealand in a few months. Members ought to understand that. Then, again, why did the Government suggest that the further alternative proposals contained in these resolutions should be authorised by the House? For this reason : we cannot shut our eyes to the fact that Mr. Spreckels is a keen man of business, and naturally and rightly wants to do the best he can ; and if we simply ask the House to give us authority to negotiate with him for the Frisco service alone, in all probability we should find considerable difficulty in having what we think suitable terms made to carry out this service. But if the House gives authority to the Government to establish a Vancouver service and a Federal service, upon fair lines, on the figures in the return submitted to honourable members, it would be a different matter. We certainly could get some satisfactory service arranged if honourable members realised the fact that the colony must have definite arrangements made for the proper carrying on of its mail-services, and that we ought not to be left in the position of negotiating with one line only, but that we ought to have an alternative, and therefore we ask

for authority to negotiate for a Vancouver service, and a Federal service also. I think it should be realised that it is the safe way, the strong and a sure way to bring about suitable arrangements for the continuation of the Frisco service, and, failing that, then one-or even both - the others, instead of being, as we are now, in the unsatisfactory position of receiving from the owners of the steamers merely negative answers, or asking higher figures than Parliament will agree to, apparently in the belief that by bringing a little pressure to bear they would be able to obtain from the colony what we are not prepared to pay. The net cost of a fortnightly Federal service would be £19,417; the net cost of a Vancouver service would be \$16,304. The Federal service would require to be carried out by agreement with the Federal Government of the Australian Commonwealth, and if it allowed us to come in on a population basis our payment to the main line would be \$12,306 for the right of sending the whole of our letters by the P. and O. and Orient Company's vessels. If we did not come in on the population basis it would cost us \$20,383 a year. That was on the present rate of payment; but I have no doubt that the Commonwealth would agree to our coming in on a population basis. An Hon. MEMBER - That would be from Sydney. Sir J. G. WARD. From Sydney or Melbourne. Now, in order to place the whole position before honourable members, I will give the details of the cost to the colony for the San Francisco, the Vancouver, and the Federal mail-services:-- San Francisco Service. - Homeward. DR. £ Payment on homeward mails 15,463 .. United States and Atlantic transit 6,132 .. Interprovincial service 5,000 .. Mail-agents, special trains, &c. 1,500 .. CR. 28,095 Estimated postages 11,791 .. Net cost .. £16,304 .. Vancouver Service. - Homeward. Payment for Pacific conveyance 20,000 Transit across Canada, United States, and Atlantic 6,624 .. Interprovincial service 5,000 .. Mail-agents, special trains, &c. 1,500 .. 33,124 And the postage recoveries .. 11,791 .. Leaving the net cost .. £21,333 Federal Service (Fortnightly). - Homeward. DR. Payment to contracting States (population basis) 12,306 .. Transit, Sydney to Adelaide .. 2,220 .. Transit through Italy and France 2,936 .. Intercolonial service, say 10,000 Interprovincial service, special trains, 5,000 &c. .. £32,462 CR. Estimated postages .. £10,788 From London Post-office - Transit of inward mails, Sydney to New Zealand .. 2,257 13,045 . \$19,417 Net cost

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for letters in respect to the San Francisco service was continued, the cost would be increased from #15,463 to \$17,760. At 4s. 4d. a pound, the postage equivalent of the penny rate, and 10s. 5d. a pound on letters for the United States, the payment would be £11,791. Postal Union rates would amount to £6,061. The payment of 10s. 5d. a pound for our letters to the United States was because that country did not admit our letters on the penny rate there. These were the three rates of payment; and the fastest service, and the cheapest and the best service, it would be seen, was the San Francisco one. From London to New Zealand the average times taken last year by the San Francisco and Federal services were as follows:-- San P. and O. Orient Francisco. Line. Line. Days. Days. Days. London to Auckland 39.38 39.15 31.71 .. 40.35 Wellington. . 39.96 32.86 Dunedin 41.13 34.07 41.71 .. Bluff 34.82 40.96 40.38 .. While from New Zealand to London the times were:-- Days. Days. Days. Auckland to London .. 40.36 30.85 40.74 42.14 Wellington 32.69 41-20 .. 41.89 Dunedin 33.69 41.01 .. Bluff 34.44 40.26 41.14 .. 2 Now, under these proposals, assuming that the service between San Francisco and Auckland will be performed in seventeen days, and the intercolonial fortnightly connection with the Federal service to be Sydney and Wellington, mails should be delivered as under:-- Federal San Francisco. Service. Days. Days. London to Auckland 38-39 28-29 Wellington 37-38 .29-30 Dunedin 38-39 30-31 31-32 Bluff 39-40 Auckland to London 29-30 Wellington 30-31 Dunedin 31-32 Bluff 32-33 If we were to establish a fast intercolonial service, connecting with the weekly Federal service at Australia, between Bluff and Melbourne and Auckland and Sydney, the transport of mails to and from London by this route would be much shorter than at present. With a connection between the Bluff and Melbourne

direct the mail-deliveries would probably be :- Days. London to Bluff 36-37 37-38 Dunedin . . . Wellington 38-39 Auckland 40-41 .. Bluff to London .. 36 .. Dunedin 36 .. Wellington 38 .. Auckland 39-40 . . And by a direct service between Sydney and Auckland :- Sir J. G. Ward London to Auckland 37-38 .. 38-39 Wellington .. Dunedin .. 39-40 Bluff 40-41 .. Auckland to London 37 39 Wellington .. Dunedin 40 Bluff 41 But, then, this would not be nearly so fast as the San Francisco service, nor as fast as a Vancouver service if such were established. Honourable members will see that, from any point you like to take it, the San Francisco service is much the faster. Mr. DEPUTY-SPEAKER .- Time is up. Mr. SEDDON (Premier) .- I move, That the Standing Orders be so far suspended that this resolution moved by the Postmaster-General be treated as a Bill on its second reading, and that the Postmaster-General be allowed an hour to be heard on the motion, as provided by Standing Order No. 103. Mr. DEPUTY-SPEAKER .- That can only be moved by unanimous consent. Captain RUSSELL (Hawke's Bay) .- No ; I certainly cannot give my consent. I regret exceedingly to be guilty of what may be ap- parent discourtesy to the Hon. the Postmaster- General. I beg he will not consider it so in the very least ; but the Standing Orders are perfectly clear on the point. In the first place, I should raise the point that the Postmaster- General has now finished his speech according to the Standing Orders, and unless we begin this debate de novo he has no position in the House in connection with this subject until he rises to reply. I say it is impossible to bring in a motion in the middle of the debate now going on to suspend a Standing Order. But, in the second place, the Standing Orders are perfectly clear upon the point. It has been known to the Right Hon. the Premier and the Postmaster- General that this debate was coming on, and it is no new subject that is sprung upon the 39 House unexpectedly. Standing Order No. 437 37 is perfectly clear, and says,- 38 "Any Standing Order or Orders of the House 39 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 notice to suspend without notice shall not be entertained unless there be forty members present at the time such motion is made; and provided fur- ther that when such suspension is to extend over more than one sitting, or in relation to more than one specified matter, the presence of forty members shall in all cases be necessary." The Premier must or should have foreseen that the introductory speech would be a long one, and so it was his duty to give notice of the suspension of the Standing Order if he de- cided it would be necessary. Mr. DEPUTY-SPEAKER .- I do not know why the honourable gentleman wishes to con- tinue to discuss the question. I have already ruled on the point.

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nothing more to say. I was not aware of that. Mr. DEPUTY-SPEAKER. - I stated dis- tinctly that the motion could only be moved by unanimous consent. The honourable mem- ber stated that he, for one, declined to give his consent, and that ended the matter. Sir J. G. WARD (Postmaster - General). - Might I be allowed to make a suggestion ? I am only coming to the point in respect to which members, no doubt, desire some in- formation - namely, why the Government suggest that we should continue the Fr'isco mail-service; and when we go into Committee I will propose that I should be allowed the first ten minutes, and that then I should be allowed a further ten minutes, and so on until I have concluded what I desire to say. Mr. SEDDON (Premier) .- As a way out of the difficulty, I move, That this resolution be considered to-morrow ; and that will give my colleague an opportunity of giving us reasons why we should proceed at once, and then we shall conform with the Standing Orders. Mr. TANNER (Avon) .- I second the motion of the Premier, and I think it is extremely to be regretted that the consent of the House has not been unanimous on this occasion. No one wishes to conform to the Standing Orders more than I do, but at the same time we can scarcely expect to be always the slaves of the Standing Orders. There are times-times of vast import- ance-when we are fully justified in suspending the Standing Orders. We have suspended

the Standing Orders in the past in respect to matters of much less consequence than these mail-contract resolutions. I might perhaps suggest to the honourable member what has occurred to me as a plan which will be of more advantage to him than the course which has just been suggested. I do not know whether it would be in order, but it is to put these resolutions in the form of a Bill, and take the debate on the second reading. If that can be done it would get over the present difficulty. Sir J. G. WARD .- It is not often that I rise to dissent from a proposal made by my colleague the Premier. I think, therefore, I must proceed to give my reasons for dissenting, and I will do so in regard to these resolutions, in the hope that honourable members will be able to see that their consideration should not be adjourned until to-morrow. When the Standing Orders compelled me to stop my remarks-with some regret, judging by the expressions from honourable members generally that I should proceed-for I know they required further information with respect to these resolutions, and I hoped that unanimous consent would have been given to my proceeding and giving those reasons. But I do object to postponing further consideration of these resolution till to-morrow, and I will tell honourable members why. I will read the following two telegrams, one from the Secretary of the department here, sent by my direction :- "Secretary, Postmaster-General, Melbourne. " SHOULD New Zealand decide make extended VOL. CXIX .- 31. population ? Kindly reply to-morrow .- GRAY." "Gray, Wellington. " YOUR telegram re paying for correspondence sent by Federal mail-service on basis of population under consideration of Cabinet. Reply will be sent soon as possible .- SCOTT." I think it is only right that honourable members should hear those cables read, for perhaps they will have seen some allusion made to them last evening in the public Press. Mr. FISHER (Wellington City) .- I rise to a point of order. Mr. SEDDON .- I hope this time will not be taken off the time allotted to my colleague. Mr. FISHER .- Let me give the Premier one word of advice. The honourable gentleman may trifle with whom he pleases, but I want to tell him that he will not trifle with me. My point of order is this: We all, I am sure, wish to hear the Postmaster - General continue his speech ; but I wish to ask your ruling, Sir, upon the question whether it is competent for you to accept the amendment proposed by the Premier upon the understanding that the Postmaster-General is to resume his speech to-morrow, when he will have another half- hour in moving these resolutions. I ask your ruling, Sir, on that point first. Mr. DEPUTY-SPEAKER .- The honourable gentleman has no such right to resume his speech to-morrow. He has only the same right as any other honourable member has to speak now. He being the first member to rise after the amendment was put from the chair, I called upon him; and if the honourable member for Wellington City or the honourable member for Hawke's Bay had risen first he would have been called upon to speak. Mr. FISHER .- What you rule is that the Postmaster-General may speak for half an hour. Mr. DEPUTY-SPEAKER .- Certainly, when speaking on the question of the amendment. Mr. FISHER .- What is the question ? Mr. DEPUTY - SPEAKER. - The original question was That this House resolve itself into Committee of the Whole to consider the resolutions of which notice appears on the Order Paper; and the amendment is, To omit the word "forthwith," and insert the word "to-morrow " in lieu thereof. Mr. FISHER .- And, in speaking to that amendment, do you rule that the honourable gentleman may make another speech of half an hour. Mr. DEPUTY-SPEAKER .- Certainly, under the Standing Orders that is the time-limit. Mr. FISHER. - That is your ruling, Sir. Mr. DEPUTY-SPEAKER .- It is. Mr. FISHER .- It is a manifest setting-aside of our Standing Orders. I wish to say that; and I say that the Standing Orders this session- Mr. DEPUTY-SPEAKER .- I do not know if the honourable member is reflecting upon what has occurred since I have had the honour of occupying the chair. If so, I must call upon him to withdraw it.

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Mr. DEPUTY-SPEAKER The Standing Orders may be capable of misinterpretation. I have given an interpretation to the best of my judgment If honourable members wish to restrain members from moving amendments, and so having more than one speech, that should be done by amending the Standing

Orders. Mr. FISHER. - I join in the general regret that the honourable member for Hawke's Bay should have taken the course he did. But this appears to me to be a manifest evasion of the Standing Orders. Mr. DEPUTY-SPEAKER. - That is a matter of opinion. Mr. SEDDON (Premier) .- I wish to make a personal explanation. It seemed to be the general wish of the House-almost the unanimous wish ; and as leader of the House, where the Standing Orders permit --- Captain RUSSELL .- This is no personal explanation. Mr. SEDDON .- I am explaining my action. I did the best I could, and under the circumstances it was my duty to do my best to give effect to the wishes of the House. I am within the Standing Orders in giving effect to what the House desires, and I hope my colleague will be allowed to proceed. Sir J. G. WARD .- The reason for the telegram I have just read was to get the ground clear with the view of negotiating for a Federal service. Again, I would point out to honourable members that when we are dealing with a powerful company, with a keen business-man, such as Mr. Spreckels, you require to deal with him upon commercial lines; and that unless you are going to treat the matter seriously and as a business matter, and not allow anything in the shape of sentiment to dominate you, you will find that by not being in a position of being able to control and fix matters, that matters drift along, and next year or the year after further pressure will be brought to bear to increase the payments. I say that it is in the interests of the people of the colony who desire this service that we should take steps to have an alternative service, and that is why the Government have negotiated, so far, upon the lines indicated in the resolutions. I should like to say that there has been an impression that a portion of the San Francisco mail-matter has been diverted by the New Zealand Postal Department to the Suez route. I saw a communication from the North that the Government had diverted the mail-matter via the Suez route. Now, I wish to say that this is not the case. We have no power over the mail-matter that leaves London. That is entirely under the control of the Imperial authorities, and, in consequence of the irregularity of the running of the San Francisco steamers the London postal authorities 'selves of the powerful channels of the Imperial diverted a great portion of the mail-matter via Suez. We had no control in the matter. I would point out this as a reason why it is necessary to have a time-table, and, when fixed, adhered to, so that the people communicating with England, who have a right to be fully connected by mail-service both to and from New Zealand. That is of material consequence to this country. The diverting of the mail-matter was due to irregular running between Auckland and San Francisco caused by trouble with the machinery of the steamers, and difficulties over which the owner of the steamer had little or no control ; and I believe he did his very best under his arrangement to carry out a satisfactory service, and I am not finding fault with him. I simply say, with respect to the charge which has been made against the Government that we were diverting the mails from England to the Suez route, that we were not doing anything of the kind. Through the steamers running irregularly there has been a considerable falling-off in the amount of mail-matter from England-it fell from 450 bags to 256 bags per trip-and there is no doubt the difference has been sent by the Suez route. Therefore it is necessary we should enter into a proper agreement with the owners of the steamers, binding them down to certain conditions under our mail proposals. It is a very important matter to the colony, in connection with our mail-payments, which are given largely with a view of having a fast service between America and New Zealand, that the steamers should run regularly from both ends, and I say the reasons I have given for the cause of the diversion of the mails show the necessity for insuring this regularity. Now, the amount for the mail service up to the present, at 10s. 5d. a pound for letters, is about £17,000. Providing the same amount of mail-matter was carried by Mr. Spreckels at the reduced rate, it would amount to £15,000 at least, and it may be more. I say that if he were prepared to carry out the service for £17,000, it is quite clear to my mind that he should agree to carry on the service for a payment of £15,000 guaranteed, at the rate of 7s. 6d. a pound. I will say to those honourable members who show such an anxiety about the continuance of this San Francisco service, and to the friends of the service not merely in Auckland but throughout the colony, that what they should do is to try

and realise the position so far as it concerns the whole colony. The whole colony is interested in the service, and it would not object to a fair payment being given for a fast service between New Zealand and England via America. I will tell honourable members why the Government have made proposals to carry on this service with the port of call at Auckland. We would prefer to see a New Zealand steamer included in the service, and we will work still in that direction; but at the same time we appeal to Mr. Spreckels, if he has the interests of the continuation of the service at heart, to exercise what political pressure he can, and we ought to avail our- perial Government to continue to make representations in the interests of the trade with this country, so that our steamers should be allowed to trade between Honolulu and San Francisco. No one can take exception to the United States making laws to suit themselves,

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way, any more than we would allow any one to interfere in the making of our laws to govern our own business. But that this exclusion of stand that we are approaching the matter fairly British-owned steamers from the trade between Honolulu and San Francisco has militated against the service I think every one will admit, and I say that, under these circumstances, we ought to strive for an abrogation of the navigation laws excluding British anything in the shape of feeling, which, I am vessels, so as to allow of free-trade by British- owned steamers between Honolulu and San Francisco. Mr. G. W. RUSSELL .- Stop the subsidy and Spreckels will howl. Sir J. G. WARD. - Well, I can tell honour- able members that the Government are anxious to continue this service on fair lines. I believe we cannot get a better service, if you want a fast service, between New Zealand and Eng- land. An Hon. MEMBER .-- Why not have a Direct service ? Sir J. G. WARD .- Well, as to the Direct service, if honourable members will look at the proposals I submitted to the House in 1888 they will find that was the alternative I sug- gested - a subsidised Direct service between New Zealand and the Old Country. I believe, how- ever, you could not get a more suitable service for anything the colony could afford to give which would be as acceptable to the travelling public than the San Francisco or the Vancouver service. At all events, the efforts that have been made from time to time to induce a fast Direct service have always proved a failure. At any rate, that was the alternative I suggested in 1888, at which time I was fighting with others to bring about a material improvement in the rates paid for the continuance of the San Francisco service. We succeeded in our object, and now we are asked by Mr Spreckels, and are urged by some other people, to pay more for the service than by the British in the time of trouble between we were paying at the time the alteration was made, and I say the country is not prepared to pay it. Mr. MASSEY .- What was paid in 1888? Sir J. G WARD .- It was either £24,000 or \$26,000 that the San Francisco service alone cost the colony at that time, and it was alto- gether too much. We succeeded, however, in effecting a useful reform, under which the service has been continued until the un- fortunate matter of the exclusion of British steamers cropped up -a matter which has changed the whole aspect of the position ; and it is in view of that change we desired to alter our policy and say that we should bring all the moral suasion we can on those who are concerned to make provision that a British owned steamer should be included in the service, even if it takes a few years to bring that change about. It is, at any rate, worth striving for, and what we ought to work for. I have now given honourable mem- bers the cost of the respective services, and I have said why we should have an alternative route. I have said that we should not be left entirely in the hands of the Messrs. Spreckels service, and that in dealing with this subject we ought to let the owners of that line under- and as a matter of business concerning the colony. If we go on with that line I have no doubt that with a fair and reasonable basis the House will realise that the proposals of the Government are just, and are not actuated by sorry to say, has been imported into the subject in consequence of certain uncalled - for and utterly unjustifiable strictures which have been made in the North. Sir, speaking for myself, and with a fair knowledge of what is going on in the South, I say we have no objection to Auckland being the

port of call ; we do not envy them in any way in connection with this or any other matter. What is good for Auckland is good for the people of the colony. and if a mail- service can be brought about with Auckland as the port of call we shall support it as long as it is done on fair lines. Now, speaking for the Government, I say that one reason that actuated us in asking the House to assent to the proposals for the continuance of the San Francisco mail-service on a reasonable basis is that such a service will give us a connection with from seventy to eighty millions of people, who, though cosmopolitan, are, at all events, largely a British people, and are a friendly disposed nation towards Britain ; and with that aspect of the case before us it is well we should consider what is the position of our colony with regard to other places. We have now against us in Australia a Federal tariff, which, of course, has yet to be seen how it will operate, but which may greatly change the condition of the trade of this country. Then, no person can tell what years may bring forth in the way of complications - Eastern complications, for instance. We know that not so long ago a good feeling was brought about owing to the help offered the Americans and the Spaniards. We know there was at that time a splendid feeling created with America, which for some years previously had been somewhat strained. The result of that feeling was that, when British interests appeared to be at stake in certain directions, America showed that assistance would, if required, be given to us. We saw the splendid feeling displayed by the Americans only lately when they were prepared to stand shoulder to shoulder with our own men, and not allow others to interfere in affairs with which we were concerned. No one can tell what difficulties might in the unknown future arise. Eastern difficulties will in all probability take place. Who can foretell what troubles may crop up between the British and the Japanese or the Chinese ? There may, and doubtless will be, great national problems that will require to be solved by the men who follow us in the government of our country ; and when we have the opportunity of maintaining at a moderate cost a connection between ourselves and the powerful country of America, even although the present laws do not allow one of our steamers to be

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our nose to spite our face, or allow any wrong or misguided feelings to actuate us in dealing with this matter, even although the development of trade has not been so great as we should have liked to see it during the running of that service. We ought not to cut off our connection with a British-speaking country which we have every hope will come closer to the Old Land. If troubles should arise with other countries, we shall find Great Britain and America standing shoulder to shoulder ; and we in this country are much concerned, and the ties of kindred between our American cousins and Britain are of great moment to us. Honourable members, however much they may be disposed to criticize details, or however much they may feel that they have not been treated so generously in the North as they ought to have been ; however much they may resent or dissent from the imputation of unworthy motives, I believe every member has an earnest wish to do what they believe to be best in the interests of the country ; and the proposals of the Government are made in the sincere desire to keep up a service which has done a considerable amount of good to the colony in the past, and I believe will do a great deal more in the future. I trust members will take a proper and a broad view of the matter, and give a hearty assent to the proposals submitted by the Government. Mr. MILLAR (Dunedin City) .- I desire to congratulate the Postmaster-General on his statement of the case he has endeavoured to make out for the San Francisco mail-service. But, after carefully listening to it, it appears to me that the honourable gentleman is trying to place us in the same position as he did twelve months ago. Honourable members will remember that in Committee, when the House was strongly opposed to the service, the honourable gentleman asked us to give him twelve months to negotiate with other firms for a mail contract with New Zealand. And what has been the result ? With the exception of one or two letters sent to the Vancouver Company, we have not seen the slightest negotiation till to-day, when Spreckels has taken the colony by the throat. It is not

fair to the House that when a resolution is carried and an indication given to the Ministry they do not carry it out. Look at these resolutions and what do you find ? There is a certain amount of padding put in about Vancouver and a Federal service, but the whole thing hangs on Spreckels refusing to accept the contract. The resolutions ask the House to pledge the colony for three years to the Frisco service. If honourable gentle- men will read the resolutions they will find that this House is asked to authorise the Government to negotiate for a three years' contract with Spreckels, subject to the following : "That in the event of it being found impracticable to arrange a contract for the three-weekly San Francisco service on the foregoing terms, this House authorises the Go- vernment to enter into negotiations for esta- blishing a three-weekly or a four-weekly Van- couver mail-service." But this House is not Sir J. G. Ward Federal or Vancouver service until Spreckels has refused the contract, and I say there is not a chance of his refusing the 7s. 6d. proposed by the Postmaster-General. I am surprised at the change of opinion on the part of the Postmaster-General, for if there was one thing by which that honourable gentleman first made his mark in the colony, it was by his opposition to this service. In 1888 he disagreed with the Premier ; here are his own words An Hon. MEMBER .- Who was the Premier ? Mr. MILLAR .- Sir H. Atkinson. He said,- " I take a somewhat different view from the Premier as to the course this House ought to pursue in considering the several resolutions which the Government has submitted to us. The Premier is no doubt an advocate for the continuance of the San Francisco service. I am not." And he went further, and moved an amend- ment to the resolution that the subsidy be discontinued. Sir J. G. WARD .- Will you read the resolu- ! tion I proposed ? It is on the same lines as I am going now. Mr. MILLAR .-- This was the resolution he moved, that the words " the subsidy to the San Francisco mail-service should be discontinued " be added to the end of the resolution in lieu of words struck out. Sir J. G. WARD .- I was opposed to the sub- sidy, and I was advocating payment by weight. I was in favour of taking the two alternative proposals, as I am now. Mr. MILLAR .- At that time the honourable member moved and carried his resolution in this House, and the very same arguments are advanced now as they were then ; and appa- rently the members from Auckland were in the same state of ferment as they are now. But I think the honourable gentleman himself has given us the very strongest reason why we should not accept his proposal. Can the honourable gentleman point to another self- governing colony that has ever given a subsidy to a foreign company? I say it is that very fact that has altered the feeling of the people in this colony. I want to try and meet this matter in a fair and impartial manner. I want to look at this mail - service from all points of view, and see whether it is in the interests of the colony that we should go into it. It seems to me, judging by the ex- perience of the past, that this service is of very little consequence to the colony. If honourable members remember, for thirty years this Frisco service has been esta- blished, and for the last thirty years what do we find has been the value of that service either from a passenger or a trade point of view. When I called for this return I had a fair idea of what the position was, although I never dreamed that the service was of such little value to the colony as this return proves. I desired to have this in the hands of members, so that when we discussed this question we should know of what value it was to the colony.

These figures are for the past ten

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298 passengers landed during the twelve months by the Frisco mail-boat ; that is, from Frisco to Auckland, 298 passengers. Then, there left get information to show me that America is not Auckland 433; the boats were running twelve trips, and that is the sum total of the passen- gers for the twelve months. Then, from a cargo point of view, we find the enormous amount of 1,069 tons. All these figures I am giving are twelve months' figures, not the last twelve months America's exports have ex- amount per trip. An Hon. MEMBER .- That is ten years ago. Mr. MILLAR .- Well, I am going to give you the figures year by year. I would not attempt to mislead the House and the country by simply taking the one year, but I want

members to have a fair estimate of the value of the service. Here is the actual return, and the figures for ten years show that during that period there were landed in Auckland from San Francisco 3,081 passengers. There left Auckland by the same route 3,940 passengers ; and yet we are told this is the tourist traffic of the colony. We are supposed to be a travelling public, and yet in ten years those are the figures in connection with this celebrated route which the Post-master-General has been trying to persuade the people of the country is of such enormous value to us. Now, it is absolute nonsense to say there is any large amount of tourist traffic by this route. There is not, and I will tell you why. It is because the tourist season of New Zealand is the winter time in America; and you will never get English tourists to make a winter voyage to America. So far as the Vancouver service is concerned, practically the same thing applies. You will never get much passenger traffic, either by the San Francisco or the Vancouver route, for that reason. Then, from the cargo point of view, what do we find? 31,000 tons imported into the colony in ten years, or an average of 3,000 tons in twelve months. Why, there is not a direct boat coming out here which has not double the quantity in one trip. And then we find that outwards the total amount comes to 8,331 tons. And, Sir, I hear or read that some honourable members for Auckland are going to smash things up generally if they lose this service. I thought these honourable members had greater respect for the place they represented than to say it will be affected either one way or the other by a paltry service like that. Yet to read some of the statements, members of this House are to be taken by the throat, and the colony and the Empire are to be absolutely ruined if this service does not go through. The honourable gentleman says the Empire is going to be ruined. I would like to know how it is that honourable members who have stood on platforms in this colony and advocated the sending of our sons to the front to maintain the integrity of the British Empire-and what is maintaining the integrity of the Empire but upholding the commerce of the Empire ?- can say that a line like this ought to be subsidised-a line which belongs to a nation which is the bitterest opponent the Empire has commercially. Mr. MILLAR .- The honourable gentleman says, " No." Well, will he tell me where I can the bitterest commercial opponent of the British Empire. An Hon. MEMBER .- Germany is. Mr. MILLAR. -- Germany cannot look at America ; and now to-day we read that for the ceded those of Britain, showing that she is a still more formidable rival than ever. And this is the time that the Government has chosen to ask us to subsidise this line, and still further increase the advantage of America. Then, what about the grand old flag? I have heard members talk about the grand old flag that was going to wave over us, but it is not good enough for them to have flying at the mast-heads of our mail ships if we are to believe the Government. Because a certain route is faster and cheaper our own flag is to be drawn down and trampled in the mud to suit cheapness. That is the only argument advanced by the Post-Sir, we had a higher respect for ourselves than to consider for one moment the proposals of the San Francisco people. I thought that last year, when we gave the Government twelve months to negotiate for a different service, that they would have taken advantage of it; and the Ministry had the opportunity. When they were in Australia they might there have made inquiries about the Federal service, but nothing was done until now, when there is an alternative proposal put in here which is practically subject to the approval of the American multi-millionaire. It is nothing more nor less, because we cannot move hand or foot for the Vancouver service if he likes to accept the proposals of the Government. I am one who is not going to support it in any shape or form. Our own flag is good enough for me, and I am not prepared to go and help the American people in any shape or form. "The honourable gentleman knows-because it was pointed out last year-that these vessels are built according to the lines of auxiliary cruisers, and he knows that they are built specially for that purpose. He may not know, but I can inform him, that each of these vessels carries six cadets for the American Government -three on the deck, and three in the stokehole-who are being trained for naval purposes for the American Government. And yet we are asked to give them 7s. 6d. per pound for our mails. I am rather surprised that these proposals ever should have

come forward. Then, we are told about the great friendliness of this nation. It has been friendly; but what is the latest instance of their friendliness? What appeared in yesterday's paper? That the American Consul at the Philippines had notified his Government that the cable concessions to England had expired, and that as the Philippines was a conquered country the Americans should do the same to England as England had done to the Boers. And this comes from the representatives of this splendid nation on whom

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attack. Sir, the more one goes into this question the more surprised one feels that the Government could ever entertain for one moment such a proposal. I should have thought that their patriotism would be against it; but I am one of those men who think that an ounce of practice is worth a ton of precept, and I say the proposal here and the professions of the past do not fit in any shape or form. No, Sir, take the mail-service as it stands from a mail point of view. The honourable gentleman has shown the time in which it is done, and he shows that it takes some five or six days longer by the Federal service. Mr. FOWLDS .- Ten days. Mr. MILLAR .- I will give the honourable gentleman nine days, although the records do not show it. The records show it is seven days, and the honourable gentleman knows perfectly well that that time could be reduced by two or three days by meeting the Federal mail-service on the other side. He knows very well that the vessels do not run to time now. Mr. MASSEY .- You forget that the speed of the San Francisco steamers has been increased. Mr. MILLAR .- I will deal with that point, now the honourable gentleman has raised it. These resolutions now propose for a seventeen days' service, which is a day longer; but we must not forget that they make provision for a nineteen days' service, because there is a delay of forty-eight hours, in which there is no penalty imposed, and therefore no man is going to drive his boats to pieces when he can run in nineteen days without the imposition of a penalty. Sir J. G. WARD .- With the fast Federal service the difference would be about six days. Mr. MILLAR .- Well, Sir, the question for this House to decide is whether in the interest of the integrity of this Empire, about which we talk so much, a period of six days is sufficient for the service. The honourable gentleman knows very well that if a fast Federal mail-service was established, with a connecting steamer between Melbourne and the Bluff, it is only three and a half days. The honourable gentleman knows now that there are fast boats in the colony running between the Bluff and Melbourne, which could do the trip in three days and twenty hours, and we could save seventeen hours in the carriage between Melbourne and Sydney. I say the honourable gentleman has not given us a true statement of what actually can be done in the Federal service. If the honourable gentleman takes the mails at Melbourne, he can save seventeen hours' rail to Sydney. I admit that the Melbourne to Bluff route is very much quicker, but there is the same objection to the Bluff as there is to Auckland, inasmuch as it is a bad distributing centre. In a purely mail-service we want to take the port that is most central for distributing purposes, so that the mails may be distributed expeditiously all over the colony. Now, the honourable gentleman said that during the last year the net cost Mr. Millar but the honourable gentleman forgot to tell us that his own department had collected \$12,800 from the public of this colony for Mr. Spreckels, because by the sale of stamps for the purpose of postages by this service, the net proceeds of which sales go to Mr. Spreckels, they found this sum for Mr. Spreckels, and it is in addition to the \$10,000. An Hon. MEMBER .- It is exactly the same in any service. Mr. MILLAR .- I admit it is exactly the same in any service; but the honourable gentleman said the service only cost us \$10,000. Sir J. G. WARD .- We are crediting postage in each case. Mr. MILLAR .- Well, the actual amount paid to Mr. Spreckels last year was £22,637 in hard cash: is that correct? Sir J. G. WARD .- No. Mr. MILLAR .- I say, Yes, and it is from the Post Office Report, F .- 1, page xix.,- Payment by weight- £ B. d. On mails from New Zealand .. 12.693 0 6 United Kingdom 4,505 10 2 Australian Colonies 5 .. 5,439 0 \$22,637 16 7 Sir J. G. WARD -That includes the cost in transit from

New York to Liverpool, which we have to pay. #17,000 is the total payment. Mr. MILLAR. - The departmental report says :- The transit charge --- € B. d. 7 5 San Francisco to New York .. 4,300 New York to Queenstown .. 1,831 16 S £6,132 4 1 Then, Sir, Mr. Spreckels received payment on the mails from the Australian Colonies under the San Francisco service. It is not a question of what we pay under the contract, but the amount Mr. Spreckels actually gets. We are asked to continue this payment, with New South Wales as the terminal port and getting the whole of the advantages, and Mr. Spreckels carrying their mails for 2s. per pound. Then, Sir, from a commercial point of view, we are told that this is of an immense advantage to the colony. Why, every Chamber of Commerce almost throughout the colony has passed resolutions condemning this service, with the exception of the Auckland Chamber of Commerce, and, surely, those men who are representative, or who are supposed to be representative, of the commerce of this country ought to know what they think best, and without exception almost they favour the Federal service. And to show that it is to our interest that the Federal service should be adopted, let us compare the work done by the Federal service and that done by the Frisco service. The departmental report shows that, so far as England is concerned, there are fewer and fewer letters coming by the Frisco service, and that there is growing discontent amongst shippers at Home with the Frisco service. That is in

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rule in this colony is that unless letters are specially addressed to be sent by another route they are sent by the Frisco mail, yet we find that the letters sent by each route are as follows : - From England. By Frisco 595,717 :: ... Federal 500,382 From New Zealand. By Frisco 535,029 .. Federal 209,877 Every one of the letters sent by the Federal route had to be specially addressed. I may point out that our Government act on exactly opposite lines to those adopted by the English Government. The English Government send nothing by the San Francisco route unless it is specially addressed. Sir J. G. WARD. - Because they have the full control of their own mails, and have a special agreement. Mr. MILLAR. - Yes, I admit that; but it shows that their treatment of this matter is Very different from the treatment of it by our Government. An Hon. MEMBER. - It is not an "all-red line." Mr. MILLAR. - How much of it is painted any other colour ? An Hon. MEMBER. - Two-thirds of it. Mr. MILLAR. - I would like the honourable member to look at the map and prove it to me. I am sure he cannot do so. The Postmaster-General spoke as to the actual cost of the service. Taking his own figures, they show that by an extra payment of \$3,000 per annum we can get a fortnightly service under the British flag. The net cost to the colony of the Frisco service next year will be €16,304, which #cc-zero will give us a three-weekly service under this 7s. 6d. proposal ; but the Federal service -a fortnightly service - will cost £19,470. Now, from a commercial point of view, which is the best ? Is there any comparison at all ? It is all nonsense to talk about a two or three days' difference. In respect to anything in which there is need for hurry at present word is now sent by cable, and no one cares a rap as to the two or three days' difference. I maintain that, so far as this colony is concerned, we should not pay a penny to a foreign company, and I have always understood that that was the policy of the Government. On every occasion for many years that we have been asked to subsidise the Frisco service it has been under British contractors-the contract was made with the Union Steamship Company of New Zealand ; and now the Union Company is excluded, and we are asked to pay more than we paid last year; a minimum of \$15,000 is to be paid, and that is independent of what is carried. Then, the inward mail from Frisco is to be controlled by the American Government, and not by Messrs. Spreckels. An Hon. MEMBER. - They can make an agreement. Mr. MILLAR. - No; they have no more power to agree to any alteration in the conditions of the contract than we have. Washington. Mr. MILLAR. - We have no evidence of that, and until we get direct evidence of the good-will of the American Government I trust that this House and the country will not give any assistance at all. All I say is this:

that we cannot find it in any of the official records that I have seen at all. I say that the whole of the evidence brought forward shows that this service is not one required by the colony. From a tourist point of view it is no use, from a mail-service point of view it is of very little use, and from a cargo-that is, a trade-point of view it is absolutely worthless, because with the exception of a few bales of flax and a few boxes of gum, averaging under 100 tons per month over the period, nothing is exported. That is the total exported from Auckland, and the honourable member for Auckland City (Mr. Napier) knows as Chairman of the Harbour Board that the stay in Auckland of the mail-boat is about eight hours, and during that time they employ forty men only, who get 10s. each, or a total of \$20. Then, the whole of the produce bought consists of a few sheep, a few loaves of bread, and some vegetables, when the ship takes its departure. I challenge the honourable gentleman to show that from any point of view the San Francisco service is worth \$2,000 a year to Auckland, either from the purchase of produce or from the Harbour Board returns. I undertake to say the service is not worth more than \$2,000 a year ; and yet he and others say that we desire to burst up Auckland by taking away \$2,000 from Auckland. I can tell the honourable gentleman this, that if the Vancouver service is carried I shall support the terminus being at Auckland. The terminus of a service is worth something, but a port of call is never worth anything. I do not care if the Federal service terminates at Auckland. It is not a question of Auckland. What I object to is our being handed over to a foreign service ; and, whether it means breaking up this party, or any party, in the interests of the colony I shall do what I deem to be right. I do not care whether it means the Government leaving those benches or not. If they can only keep their seats upon those benches through the votes of the Auckland men by selling New Zealand to another flag, I should be very sorry for it ; but I do not think they would be guilty of such a thing. I say we can get an effective mail-service through the Federal Government, and that we may get a suitable service via Vancouver, but that we should at once, if we can, get the Federal service. You cannot get it for a day or two; but the San Francisco contract does not expire until the 30th November, and there is ample time to deal with them and to get some arrangement made prior to that. I trust this House and country will approve of that, as I believe it does, because, go where you will, you can hardly find a single expression of opinion favourable to the San Francisco service excepting that of one or two persons who are more or less interested in it, and they naturally may be expected to support it; but if you take

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ordinary citizen, they do not care for a day or two's delay, and they are not prepared to pay a big subsidy to any company to go via Vancouver or any other route ; but, above all, they are strongly in favour of supporting our own flesh and blood in preference to outsiders. I hope that this feeling which is exhibited in the country will be reflected by the House when we get into Committee, and that the Government will be shown clearly and decisively that, so far as New Zealand is concerned, "No foreigner need apply." Mr. FISHER (Wellington City) .- Sir, in a word my vote is for the abolition of the San Francisco service. Not because I am a Wellington member-that is neither here nor there -but because the service has no advantages for however else the colony of New Zealand. this question may be viewed, it is not with us as with the Auckland members and the Auckland people -- a question of life or death. The people of Auckland, if one may frame an opinion upon their pining and their sighing, are wrapped up in the continuance of this service. They regard it with touching affection. They think, they dream, of nothing but the San Francisco service. It is the apple of their eye. It is the sum of existence-the be all and the end all, before which all else fades into nothingness. They also mistakenly believe that the people of Wellington think and dream of nothing but the San Francisco service. It may be said with perfect truth that the people of Wellington never give it a thought. The people of Wellington are too busy with their own large commercial interests to devote any special care to the subject. The San Francisco service is to them a

matter of the most perfect indifference. How can it possibly give any concern to the people of Wellington, whether or not one additional steamer calls here once in three weeks? So many large steamers arrive and depart every day in the week ! The people of Auckland are a peculiar people. I hear it frequently remarked that the climate is responsible for this peculiarity. In their nervous anxiety they appear to think that the people of Wel- lington are eternally racking their brains about the San Francisco service. It is this hysterical fidgets and nervous state of swoon which ex- hausts all the energy of the Auckland people, and so they make those fitful and spasmodic spurts which have done so much to keep back the North Island Main Trunk Railway so many years. It is thoroughly characteristic of them ; but at last in that matter they have reached Still it is as well they an age of reason. should understand that but for their peculiar methods the North Island Main Trunk Railway would have been very much further advanced. The question of the San Francisco mail-service is a question which does not affect any particu- lar locality-always excepting, of course, the City of Auckland. Now, of what advantage has the San Francisco service been to the colony of New Zealand as a whole? None, absolutely none. It has been in existence for thirty years, and ought by this time to have de- Mr. Millar what is the fact? The following return, laid on the table of the House on the 25th Sep- tember, 1901-last month-shows what the. passenger and cargo trade has been for the past ten years :- Passengers and Cargo to and fro between Auck- land and San Francisco, and Amount paid for San Francisco Mail-service. San Francisco to Auckland to San Francisco. Auckland. Year. Passen- Passen- Cargo. Cargo. gers. gers. Tons. Tons. 453 298 1891 1,069 601 1892 333 1,099 402 655 1893 272 453 1,241 712 290 436 332 1894 1,673 277 2,067 311 1895 982 3,823 1896 408 377 385 1897 264 5,234 383 633 250 1,151 1898 5,497 347 328 1899 4,539 391 1,381 319 1900 533 1,395 5,141 Totals .. 3,940 3,081 31,383 8,331 So that in ten years, on the route 7.30. from San Francisco to Auckland, the increase has been - Passengers, 21 ; cargo, 4,072 tons. On the route from Auckland to San Francisco the increase has been - Pas- sengers, 80; cargo, 794 tons. And of the cargo brought from San Francisco during the last three years, most of it consisted of railway material, thus interfering with the regular trade between this colony and Eng- land. Now, that is the increase in ten years of a trade which is represented to be of such great value to this country. Sir, I propose to dismiss the padding of the resolutions, for it is mere leather and prunella, and come to the real question which the House has to consider -namely, Whether the San Francisco ser- vice shall be maintained or not. In other words, whether this colony shall be called upon to pay £16,000 or £20,000 a year to secure the Auckland votes in this House. That is the price of the Auckland vote. The member for Dunedin City (Mr. Millar) placed himself in an erroneous position by saying that he would vote against the San Francisco service even if its rejection resulted in those honourable gentlemen leaving the Go- vernment benches. This is not a party ques- tion. Many members of both parties will cross the floor of the House for and against the Go- vernment proposals, irrespective of the existence or the non-existence of the Government. All the Auckland members belonging to the Opposition will vote with the Government. Mr. MASSEY .- That does not make it a non- party question Mr. FISHER .- You will find that the voting

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is distinctly a non-party question. The voting will show that. One portion of the speech of the Postmaster-General reminded me very much of speeches delivered in this House twenty years ago on this same question. It was that part in which the honourable gentleman said that if we kept in the stipulation that one British-owned steamer should be employed in the service it would enable Mr. Spreckels to endeavour to induce the United States Government to alter their navigation laws, so that the colony should have a greater What nonsense ! interest in the service. The House may at once dismiss the idea. The tale is old. It takes us back to the old days of the San Francisco service, when those curiosi- ties in naval architecture, the "Nebraska," "Dakota," and the "Colima " came painfully lumbering along the

coast with their old beam- engines cocked up in the air, above deck. We had then the same inducement held out : that efforts would be made to induce the United States Government to come in and subsidise the line. The United States Government never will recognise the line. The suggestion is transparent humbug. Mr. FOWLDS .- They do it now. Mr. FISHER .- They do not do it now. The honourable gentleman should read up the sub- ject. New Zealand is utterly unknown to the United States Government in the matter. The Postmaster-General was very laboured in his effort to prove that the San Francisco service was a faster and a cheaper service than any of the others, but he urged us to keep the other services in view, so that we should have three strings to our bow. There was the Vancouver service, in regard to which there is a contract with Queensland for three years, which would prevent the boats coming to New Zealand. The honourable gentleman talked of having the Vancouver service as a means of establishing a trade with Canada; but what is the use of speaking of that service if we could not get the boats for three years. Then, there was the Federal service, which would cost more than either of the others ; the relative amount being a minimum of £15,000 for the San Fran- cisco service, \$21,000 for the Vancouver ser- vice, which we cannot get, and \$25,000 for the Federal service. Now, why should this country pay for a fast service, meaning by those words the fastest possible service ? I remember when the service was twenty-five days, then twenty- three days, then twenty-two days, then twenty days. It is now seventeen days, and if you made it fifteen days to-morrow the merchants of the colony would immediately ask for a thirteen - days service. The thing is absurd. It is pure craze-almost a mania with some people. What would it matter if the mails were a week longer? We have the cable. Why should we contribute to a costly mail- service-costly because unnecessary-while we have the cable, which is now used by every merchant. I would rather apply the £15,000 asked for the San Francisco service to a reduc- tion of the cable rates, so that the mercantile I vice, on the score of economy. cable service. I object to subsidise a foreign company which refuses to employ an English ship or an English man. Now, Sir, I would not have referred to the speeches made by the Postmaster-General in 1888-89 but for the fact that he specially requested us to do so. In endeavouring to explain why he proposed to abolish the San Francisco service in 1888 he said, " If honourable members will look at the proposals made by me in 1888 they will see in reality what it was I proposed." I will look at what he proposed. It will be remembered that in his article in the Review of Reviews. for February, 1901, the Postmaster - General told us that the penny-postage scheme was "my first political ambition." The honourable gentleman is, of course, aware of his error. He came into Parliament in October, 1887, and on the 17th August, 1888, he moved and carried in this House the motion for the abolition of the San Francisco service. That was his " first political ambition." The penny-postage pro- posals-the Post Office Bill of 1891-came three years later. As I have said, the honourable gentleman asked us to look at his proposals of 1888, and it is interesting to do so, for in the article on the penny-postage scheme in the Review of Reviews the honourable gentleman says, " It is instructive to quote the comments of some of them [his critics] as expressed nine or ten years ago." At the honourable gentle- man's request, that is exactly what I pro- pose to do now in regard to the proposals which he has submitted to us to-day. On the 16th August, 1888, in this House, he said,- "The Premier [Sir Harry Atkinson] is no doubt an advocate for the continuance of the San Francisco service. I am not ; and there are a number of members of the House who are anxious to have a straight issue as to whether the San Francisco mail-service should continue Now, I hold that or be discontinued. what the House has first to decide is, whether or not the San Francisco service is to be con- tinued, and thereafter it will be easy for the House to say whether we are to have two fort- nightly services, and by what routes. We shall then have a plain and fair issue put before the House." He then put the plain issue before the House by moving, "That the subsidy to the San Fran- cisco mail-service should be discontinued." In speaking to the amendment, he said,- " It has been understood to-day that a pre- concerted arrangement was to be submitted to the House to-night with a view of stifling the action that the opponents of the

continuance of the San Francisco service are taking. I do not know whether this amendment is the result of such an arrangement, but I conceive it to be nothing less than an attempt to burke the plain and straight issue as to whether the San Francisco service should be discontinued. They are pledged -myself for one-if possible to dispense with the subsidies that have hitherto been paid for the San Francisco service, and to try and dispense with that ser- . I shall

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own ; and I ask other honourable members who wish to see the San Francisco service abolished to support me in that course." The honourable gentleman's amendment was carried on division by forty-five votes to twenty- There are at the present moment in seven. this House five members of the forty-five who voted for the abolition of the San Francisco service in 1888. those five are Mr. Guinness, Mr. T. Mackenzie, Mr. Parata, Mr. Seddon, and Mr. Ward. Sir J. G. WARD. - You evidently did not vote on that occasion. Mr. FISHER .- I did not vote in that division. My name is not contained in the division-list. Now, the honourable gentleman was very per- sistent in his resolve that the Frisco service should be abolished ; and in the next year -12th September, 1889 -- the honourable gentle- man said :- "The Premier [Sir Harry Atkinson] in his introductory remarks this evening indicated that it was possible the Committee might be surprised at the Government having reintro- duced this matter for the cousideration of the House. I am going to open my few remarks by stating that I certainly must express my surprise at these proposals being submitted to us this year, and I am bound to say I must express a certain amount of surprise at some of the arguments the honourable gentleman has thought it necessary to use in speaking to the -question before the Committee. Before I pro- ceed to discuss the various points the Premier has dealt with, I should like, in order to carry back the memory of those honourable gentle- men who were here last year, to state the position in which we last left this question. The resolution which the House carried last year by a large majority is as follows : 'That. in the opinion of this House, a two-weekly mail-service should be continued between New Zealand and Great Britain, but that the sub- sidy to the San Francisco mail-service should be discontinued.'" Further on, the honourable gentleman pro- ceeded to say, - " What I wish specially to call the attention of the House to is this : that the resolution passed last year indicated that the San Fran- cisco subsidies were to cease ; that that resolu- tion had distinct application to the cessation of the subsidies in November next ; and, in the face of the clear and distinct decision of the House on the question, we are asked to-night to negative the resolution which we passed last year bearing on precisely the same matter- that is, the renewal of the subsidies to the San Francisco service after the expiry of the present contract." The honourable gentleman was very firm on that. Why this volte face ? Why this com- plete change? When it was resolved in that year that the service should be continued, I proposed that the port of call should be Wel- lington. That proposal was rejected. The member for Dunedin City (Mr. Millar) this afternoon took up the patriotic, the national Mr. Fisher to do so. The Americans make it a national question by excluding our ships from the ser- vice. Why should we not take the same course ? He spoke in terms of indignation of a self-governing colony paying a subsidy to ships flying a foreign flag. He told us that the steamers were fitted for use as cruisers should they be required in war. Then, I ask, if they are to be used in the event of the United States being at war with any other nation, what is to become of our mail-service when the cruisers are withdrawn ? That puts an end to our mail- service, and we are placed in an undignified and a humiliating position. Will the people of New Zealand tolerate this state of things ? But I have a more remarkable phase of the question to which I wish to call the attention of the House. We had the guarantee of the Premier of this country that the interests of New Zealand should be protected in the event of any proposals being made to enter into a renewal of the San Francisco service. Yet we are faced with a proposal such as this: In Sydney, on the 10th January, 1901, according to the l'. legraph- "Mr. Seddon, speaking on board the ' Sierra,' referred to the

magnificent enterprise which had resulted in such fine vessels running between America and Australia. As head of the Government he declared that there was room for all, though they could not be expected to help another service which might injure the colony or the company so long identified with it. If the Spreckels Company kept on fair and legitimate ground its success would be sure, but the moment anything was done unfriendly to his colony or nation he would resent it in a way that would not be forgotten." An Hon. MEMBER. - Let them all come. Mr. FISHER. - It is not a question of "Let them all come"; it is a question of letting the Americans come to the exclusion of the Englishmen, and I, as a Britisher, object to it. But where is the Premier's protection for New Zealand? "If the Americans acted fairly and legitimately it would be all right, but the moment anything was done unfriendly to his colony or nation he would resent it in a way that would not be forgotten." And this is the way he resents it! He has allowed the Americans to exclude the one English boat we had in the service. Mr. FOWLDS. - Mr. Spreckels had nothing to do with that. Mr. FISHER. - Now, this is very interesting. Is this the stuff the honourable gentleman hills up the people of Auckland with? No wonder the people of Auckland think that when these towering intellects come down here to push the nation along the rest of us ought to stand aside. The honourable gentleman ought to know that when Mr. Spreckels arrived in Auckland, in March last, in the "Ventura," he told the people of this colony that he had entered into a ten-year contract with the American Government, under their navigation law of 1891, which contract excluded all ships of any other nation, and

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Surely the honourable gentleman ought to know that. Sir, I have said already that the Auckland people are indeed a peculiar people. They believe that the Legislature, and the people of Wellington in particular, have some deep design against the interests of Auckland. Well, the Premier once more assured us that in any future negotiations in connection with the San Francisco or Vancouver services he would protect the interests of New Zealand. He said on board the "Moana" here in Wellington on the 17th March last, - "Referring to the Vancouver service, in which the 'Moana' was about to take part, it was necessary to the commercial welfare of this colony, and he felt sure it would be successful. Our country was in need of good communication, and those who had stood by them in the earlier days of the colony would not suffer at the hands of those in power, who were going to do what was fair and just." I ask again is it fair or just to exclude New Zealand altogether from the carrying of those mails-to exclude a colonial vessel from the service which this colony is now asked to subsidise? Is that treating fair the company which stood by us in the early days of the colony? I say, deliberately and decisively, "No." I leave the honourable gentleman to answer that position for himself. The Postmaster-General, as I have already said, greatly laboured the point that they were keeping the Vancouver service and the Federal service in view, and the demand that a colonially owned steamer should be taken into the service in order to induce Mr. Spreckels to bring his influence to bear upon the United States Government to induce them to alter their navigation laws, so as to allow a colonially owned vessel to be employed. What does Mr. Spreckels say to that? Can the Auckland members tell us what Mr. Spreckels said? No; of course they cannot. I will tell them what he said. Mr. Spreckels simply snaps his fingers at the Colony of New Zealand. What does he care for New Zealand or its Government. He says, "Take away your subsidy if you like. What do I care for your subsidy?" I ask any honourable member to read the correspondence in regard to the contract, and mark his defiant tone. In a reported interview with Mr. Spreckels, which took place in Auckland in March last, when he arrived in the "Ventura," he said, - "In the event of the Government not deciding to subsidise the service I should continue to run just the same; but if your Government have no contract they will not be in such a good position as they would if they had one. I mean, for instance, in regard to controlling the time." In effect he says, "I will carry on my line independently of you or your Government."

We are asked by certain honourable members, almost as a threat, What would happen to New Zealand if the Parliament decided not to enter into a contract with Mr. Spreckels? We should be driven back upon the Federal service or the Vancouver service, and where would the colony tion in the interview from which I have already quoted. Well, Mr. Spreckels having given us this advice in regard to controlling the time in the event of no contract, he says he does not care whether we subsidise his steamers or not, he will run them to New Zealand because he is bound to do so. Why is he bound ? He is bound by his contract with the United States Government to go to Honolulu, but not one of our steamers dare go to Honolulu if she were carrying mails to San Francisco. Mr. NAPIER .- Of course she can ; there is no prohibition. Mr. FISHER .- I again pause to inquire if this is another of the gentlemen who are sent to Parliament from Auckland to educate the people of the colony in regard to the San Francisco service? In the interview Mr. Spreckels says :- " Under the American Act of 1891 I applied for and obtained a contract for this mail-service for a period of ten years with the American Government. That simply covers the outward voyage from San Francisco to Sydney, which has to be accomplished in twenty-one days." He is under contract - here is his own state- ment - to run that service to Honolulu for ten years, and he is bound to come on from Honolulu to Sydney. But New Zealand is not in his contract with the United States Government. Of course, he will touch at Auckland. He says so. Why, then, do we want to pay, except for the purpose of maintaining a time-table service ? And we do not require that, because we can arrange with the Federal service. All the mails we require could be carried by the Federal service. More urgent business could be trans- acted by means of cable. And what is the opinion of the people most concerned in the matter-the merchants of the colony ? The people most affected by the existence or the non-existence of the San Francisco service are the merchants of the colony. The service does not concern the working-man. It is not a working-man's question, it is a mercan- tile question, and the Chambers of Commerce - excepting, of course, the Auckland Chamber of Commerce-are unanimous against continuance of the San Francisco service. They are in favour of the adoption of the Federal service, and they show by tables prepared and submitted by them to the public of this country that the Federal service is adequate to meet all the re- quirements of the mercantile community of this colony. And what more could we ask for? Sir, I say it matters not whether we save a day or two in the transmission of the mails. To the great bulk of the people of this country it does not matter a button whether the mails are delivered one day early or one day late. It does not matter to me as an individual whether my letters come to-day or to-morrow. Take the artisan : what does it matter to him? It does not matter one penny to him. Now take the other class of persons interested, the merchants of the country. If you consult them they tell you plainly they are in favour of the Federal service, and not the Fr'isco service. And yet

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to which we must not more closely refer, persist in endeavouring to make an arrange- ment with Messrs. Spreckels for the con- tinuance of this Fr'isco service. I conclude, as I began, by saying that this is not a ques- tion affecting Wellington. What does it matter to Wellington whether one steamer a month or three weeks dodges into port, and leaves again after a stay of about eight hours? Of what possible benefit would that be to us? What can it matter to us? You can see constantly at the Queen's Wharf here, any day of the week, five or six steamers larger than Spreckels's boats. That is not a matter of wonder and jubilation. But the arrival of a large steamer in the Port of Auckland constitutes a red-letter day. The people of Auckland rush down to the wharf and beam with delight. The return which I hold in my hand shows that during the last year 5,000 tons of cargo arrived at the Port of Auckland from San Francisco. Fancy ! Five thousand tons in a year ! Why, there is one boat now at the Wellington wharf which carries twice that amount of cargo. Mr. DEPUTY-SPEAKER .- Time is up. Mr. MASSEY (Franklin) .- In rising to speak at this particular juncture I must confess that, to a certain extent, I am placed in a rather awkward

position, because, of the three speakers who have already spoken on this question, two were decidedly hostile to the Frisco service, and one-not the last speaker-I think I may say, "damned it with faint praise." All three speakers used a great many words in their addresses, but I am afraid that not one of them used many sound arguments, as I think I shall be able to show presently. The only argument used by the last speaker was that, according to the arrangement made between the Oceanic Company and the United States Government, in the event of the United States being involved in war the vessels now employed in the service would be withdrawn. Does the honourable member not recognise the same argument applies to vessels trading between Australia and the Mother-country in the event of Britain being involved in war ? Mr. FISHER .- It applies only to specially selected boats. Mr. MASSEY. - It actually applies to some of the ships at present trading between the Mother-country and New Zealand, and the honourable member should know it. A great deal has been said about the all-red route, but may I remind the last speaker of this: Would it not be a benefit to us, in case of England being involved in war, if our mails were carried under a neutral flag, and therefore not be liable to any interference? And is not that an argument in favour of the Frisco service ? Now I come to the speech of the Postmaster-General. There is one opinion expressed by the honourable gentleman with which I agree. He deprecated many of the statements which have been made in regard to our mail-services, and particularly in regard to the Frisco service ; and I wish to say this: that I hope that, in considering the important question which is Mr. Fisher all the unwise, silly, and injudicious statements which have been made with regard to the Frisco service, and that they will simply remember An Hon. MEMBER .- Who by ? Mr. MASSEY .- I will not say who by ; but I trust that honourable members will simply remember that we are here as the representatives of the people and as the Parliament of this country, and that it is our business to make arrangements for the best, the fastest, and the most efficient service between this colony and Europe. I may say in passing that I no more approve of the shipping laws of the United States than do the speakers who have preceded me, and I hope that there will be an improvement in that respect. But is it to be said, as has been suggested by those speakers, that we are to increase the postal distance by over a week between this colony and the great centres of population in Europe with which we do business simply to express our disapproval of the American shipping laws ? I sincerely hope that we have too much wisdom, at all events, to do anything of the sort. If the San Francisco service is costing us too much, if it is costing more than it is worth, that is another matter ; but in this connection let us remember, as has been admitted by, I think, the Postmaster-General, that many years ago-I think over thirty years-the Australian Colonies paid £100,000 for a four-weekly service, and for boats which in point of size, speed, and convenience were not to be compared with the boats at present engaged in this trade; and that was purely an American firm. Then, the Postmaster-General referred to the now famous letter written by the passengers of the " Moana," and he used that as an argument in favour of his proposal. It may be used as an argument in favour of the proposal now before the House, but it certainly is not an argument in favour of the abolition of the San Francisco service. I will not read the letter as it is of too great a length, but let me say shortly what it is. The passengers commence by setting out that the Oceanic Company requires a subsidy of \$30,000 from New Zealand. I need hardly say that the Oceanic Company has never demanded anything of the sort. They asked, I believe, at one time for a subsidy of £26,000, but I have reason to believe that the Oceanic Company are willing to continue the present service and at the present rate, which, I need hardly say, is a long way short of \$30,000 a year. Then, going on, the passengers say,- " While fully recognising the value to the colony of such a fast and up-to-date service as is contemplated under the new contract, we cannot refrain from expressing our sincere hope that a modus operandi may yet be found whereby an equally suitable service may be secured in which British vessels can participate. Possibly the publication in New Zealand of the above cable message, and the explanation contained in this letter, will, by drawing attention to the matter, help to strengthen the

desire to obtain fair treatment for the British flag." I thoroughly agree with the passengers in that. In writing the letter they say they are desirous of strengthening the hands of the Government in negotiating with the Oceanic Company and the United States Government. I only hope the Government have used the letter in the direction for which it was intended, and that they have negotiated with the United States with the object of getting an amendment of their shipping laws so that British ships or Australian-British ships might be included in our mail-service. Now, one of the signatures to that letter was that of Mr. John Duthie, a well known merchant of this city, and formerly M.H.R. In an interview with a representative of the New Zealand Times, which interview was published in Wednesday morning's paper, Mr. Duthie is reported as saying, - "Mr. John Duthie thinks the present San Francisco service is the best the colony has ever had, and that whatever arrangements we make otherwise, we should not be so parsimonious with Mr. Spreckels as to drive him out of the running. Treat Mr. Spreckels fairly, and retain the service, was the keynote of his remarks." That is the opinion of Mr. Duthie with regard to the San Francisco service. Then, there was another prominent Wellington merchant who was interviewed, and this is what Mr. Beauchamp says :- "To insure close connection with New Zealand by means of the Federal service would cost much more than the San Francisco service. Besides, mails going via Australia in this way would take five or six days longer in reaching their destination, and we would lose the opportunity of corresponding readily with our American cousins; and at this particular juncture no opportunity should be lost of extending our outside markets, and of keeping in touch with any place where we could place our goods. Our imports from America, Mr. Beauchamp reminded the interviewer, amounted to slightly over a million sterling, while our exports are only \$400,000. The latter are, however, slowly but surely increasing. Each steamer that has left Auckland for San Francisco for months past has taken considerable quantities of hemp, and the high prices which have of late ruled for that article are largely due to the demand which has been created in the American market for it. Again, America is far and away our best customer for kauri-gum, and also takes from us large quantities of pelts, hides, et cetera." These are the opinions of two prominent Wellington business-men-not Auckland business-men, by the way-and I venture to say that they are voicing the opinion of the commercial community generally. Then, Sir, the Minister went on to compare the cost of the Federal service with the cost of the San Francisco service, but I do not think the Minister was quite fair in the way in which he put it, because, referring to the Federal service, he calculated the fore we could take part in the Federal service on a population basis, we should have to obtain the consent of the Federal Government. Does any one imagine such a state of things is possible, seeing the attitude of the colony on the Federation question, seeing that we actually interfered between the Federal Government and the Imperial Government at a most inopportune time ? Can we imagine such a state of things is possible, when new tariff proposals-proposals hostile to New Zealand-are now being considered by the Government of the Commonwealth, and when we also, in retaliation, propose to impose duties on articles imported from, and some exported to, Australia? I cannot imagine such a state of things being possible, and if we depend on a Federal service it will cost us, not £19,000, as is stated in the parliamentary paper I hold in my hand, but something more like from £25,000 to £30,000 annually. Then, Sir, I come to deal with one or two statements made by the honourable member for Dunedin City (Mr. Millar). That honourable gentleman, in the matter of speed, compared the Federal service with the San Francisco service. Now, I want to say that the honourable member was not quite fair in his arguments, because, so far as the San Francisco service was concerned, he took the average for last year. Why, Sir, during the greater part of last year the old contract was in existence; we had a service which, between Auckland and Frisco, was two days longer than the present service is, and I venture to say the average for this year will be at least three days shorter, and, consequently, the com-

parison is really very much more in favour of the San Francisco service. The honour- able gentleman told us that every letter sent from this colony to Europe goes by way of the San Francisco service unless it is specially addressed. I can only say that I be- lieve the statement to be absolutely incorrect, and if I am wrong I hope the Postmaster- General opposite will put me right. The posi- tion is this-and I have been assured, I will not say officially, but semi-officially, that letters are always forwarded from this colony to Europe by the mail which will arrive in Europe first. An Hon. MEMBER .- Why do they advertise ? Mr. MASSEY. - I do not know. I simply say that if I am wrong the Postmaster-General will correct me, but I believe I am right. Then, the honourable member for Dunedin City (Mr. Millar) went on to say that this San Francisco service was of no value to the country, and that the boats belonging to this service did not spend £2,000 a year in Auckland. What is the actual position ? The position is this : on the average every time the mail-boat visits Auckland the company spend £600 -that is, \$1,200 on every trip-or, as nearly as possible, \$20,000 a year. Mr. MILLAR .- What on ? Mr. MASSEY .- There are lots of things on which steamers require to spend money, as the honourable gentleman should know. At any rate, the figures I have put before the House are correct.

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Mr. MASSEY .- Well, I have no doubt the details will be forthcoming, but I cannot give them at present. If on any future occasion the honourable member wants to make out a good case against the San Francisco service he ought to be sure of his facts, and in this instance I have shown that some of his more important statements are far from correct. Now, Sir, coming to the speed of the Frisco service, I do not think there is any one who will say the Frisco service is not a long way the best and the fastest service possible between this colony and Europe. I shall quote from a table on page xx. of the Report of the Post and Telegraph Department, showing the time occupied in the different mail-routes. Last year, from London to Auckland, the average time by the Frisco service, was 31.71 days, by the P. and O. line, 39-38 days, and by the Orient line 39.15 days. That is to say, the Frisco service, as far as Auckland was concerned, is shorter by eight days than any other route. From London to Wellington the average time by the Frisco service was 32.86 days, by the P. and O. line, 40.35 days, and by the Orient line 39.96 days. The Frisco service was, therefore, seven days faster than the others, as far as Wellington is concerned. Then, from London to Dunedin the average time by the Frisco service was 34.07 days, by the P. and O. line 41.13 days, and by the Orient line, 41.71 days : or six days faster, as far as Dunedin is concerned. From London to the Bluff the average time by the Frisco service was 34.82 days, by the P. and O. line 40.26 days, and by the Orient line 40.38 days; so that even the Bluff, the most southerly port in New Zealand, benefited by the Frisco service to the extent of six days ; and, as I mentioned to the honour- able member for Dunedin City (Mr. Millar), the service in point of speed will be very consider- ably improved in the near future. I want now to quote a paragraph from the New Zealand Times, published in Wellington, and no one will say that paper is biassed in favour of the Frisco service. This paragraph appeared in the issue of the New Zealand Times of the 5th October :- "The quickest time ever made by mails across the American Continent (says the San Francisco Chronicle of 8th September) was re- corded at 9.57 o'clock yesterday morning, when the fast train of the Lake Shore and Michigan Southern and New York Central and Hudson River Railroad pulled into the Grand Central Station in New York three minutes ahead of time, bearing the Australian mails. The follow- ing ' log' of the run from Sydney to London is of interest : With the ' Parliamentary ' mail on board, the Oceanic Company's steamer ' Ven- tura' left Sydney on the 13th August at 4 o'clock p.m., and after a swift passage arrived at San Francisco at 6 o'clock p.m. on the 2nd September. Owing to quarantine and Cus- tomhouse regulations she was delayed in the harbour all night before inspections were made, and the vessel docked. The mails left San Francisco at 10 o'clock the following morning arriving at Omaha on the 5th September, and left Chicago

at 10.50 p.m. on the same day \- -- over the Chicago, Burlington, and Quincy rail- road. Promptly at 9.07 o'clock on the morn- ing of the 6th September the train pulled into \-- Chicago. Here a special was ready on the Lake Shore and Michigan Southern Railway, and at 10 o'clock the run was begun to over- take the fast mail of that line. This was ac- complished at Toledo, the mail transferred to No. 6, which arrived in New York three minutes ahead of time, or twenty-four days and fifteen minutes from Sydney, actual travel- ling time. As the 'Campania' left New York at noon the same day, the mail would be de- livered in London on the 14th September-less than thirty-one days from Sydney, and less than twenty-six days from New Zealand." That is the service it is proposed to abolish- less than twenty-six days from New Zealand. "The mail leaving Adelaide by the Peninsular and Oriental line, using rail from Sydney, which left Sydney on 14th August-one day after the 'Ventura' \-was not due to arrive in London until 16th September, and then only by using the fast Continental express across Europe. This shows a gain of a full day in favour of the American line. The ' Ventura' left Auckland on 17th August, thus putting the New Zealand mail into London in twenty-six days, or about six days quicker time than could possibly be made by any other route, even if & special steamer left Auckland for Sydney and the mail was transhipped by rail to Adelaide, and thence by Peninsular and Oriental steamer." The instance I have just quoted shows there is no other service possible that can be com- pared with the Frisco service, so far as time is concerned. Now, Sir, in going about the colony at different times I have come in contact with a great many people, but I have never heard & single soul express dissatisfaction with the cost incurred by the colony on account of the Frisco service under the old contract, and I am quite sure, if we are able to make satisfactory arrange- ments now, there will be no trouble in regard to the new. Coming to the resolutions before the House, I can hardly say I am satisfied with them, because, even if approved of by Parlia- ment, I am afraid their effect will be to lose the fastest service the colony has ever known. I do not think on this occasion either the Minis- try or the Postmaster-General has risen to the occasion. Years ago we paid 12s. per pound for our letters forwarded by the Frisco mail ; from 1895 to 1898 the rate at which our letters were carried was 12s. per pound, and that is the rate \- which is charged at present by the Federal service. In 1898 the basis of payment was altered, and from that time we paid 10s. 5d. per pound for letters, 1s. for books, and 6d. for newspapers. That was the arrangement prac- tically until last November, when the new steamers took up the running, the conditions being up to 1895 a twenty days' service, and from 1895 to 1898 a nineteen days' service, four- weekly, the vessels employed to be of not less

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opportunity of a service thoroughly up to date in every way, how do we encourage them ? By reducing the rates about 25 per cent. Yet we are supposed to be an up-to-date community and in the van of progress, et cetera. Even to the Vancouver service, which expired a few years ago, and the contract time for which was 21} days, we paid 10s. 5d. a pound for letters, 1s. for books, and 6d. for ne . spapers. Now, when we have the opportunity of having a seventeen days' service, with boats of not less than 6,000 tons-a three-weekly service-we propose to pay the owners not 10s. 5d., but 7s. 6d. for letters, 1s. for books, and 6d for papers. I simply say I cannot understand it. The Postmaster-General is supposed to be a business- man ; we are all supposed to be business-men, or else we should not be here, and I say such a proposal is not businesslike. If you want to do away with the Frisco mail-service let us say so and be done with it ; but if not, let us pay a fair rate for the service rendered. Of course I under- stand from the papers and from speeches and from conversation with other members the real objection to the service is on account of the American shipping-laws; that is the only pos- sible objection. But let me say in this con- nection that the shipping-laws of the United States are not like the laws of the Medes and Persians that cannot be altered ; they can be altered just as we alter ours occasionally. An Hon. MEMBER. - But we cannot alter them. Mr. MASSEY .- That remains to be seen. look forward to the day, not far distant, when the

Government of the Commonwealth will join with the Government of this colony in bringing sufficient influence to bear to induce America to make an alteration in her law so as to allow British or colonial steamers to trade between American ports just as we allow American vessels to trade between Australian ports. So far as I am concerned, I should like to see a fortnightly service by San Francisco, which would probably require five steamers. And of these five boats I should like to see three of them American and two of them British ; and if the Government of this colony will join with the Government of Australia with the object of bringing sufficient influence to bear, either through the Imperial Government or in any other way, to accomplish such object, I say they will have succeeded in doing a good service to the three countries concerned. I am quite satisfied that if the service is discontinued it will be a retrograde step, as it will tend to practically increase our distance from those countries with which we are doing business, and where we sell our produce. It was said, I think, by the honourable member for Wellington City (Mr. Fisher) that we do not want a fast mail-service while we have the cable. Sir, the cable will never take the place of a mail-service any more than telegrams will take the place of letters. It is quite true, as has been pointed out by the honourable member for Dunedin City (Mr. Millar) that the boats in the past have not always kept up to the time of new boats and new machinery. However, we have been given to understand as I think the paragraph which I read to the House a short time ago proved that the difficulties have come to an end, and we may therefore expect that in the future the boats will be able to keep up to their time-table. Having just passed the estimates through this House, I need hardly remind members that we have set up a Tourist Department, which is going to cost us a lot of money, and which, probably, will be worth the money it is costing. And we ought to remember that a fast mail-service between this colony and San Francisco must undoubtedly have the effect of increasing the number of tourists that will visit this country ; it will greatly increase the number of people who will visit our wonderland and spend their money here. Now, with regard to subclause (c), which reads as follows : "That, in lieu of the foregoing payments, a fixed annual subsidy of \$20,000 be paid, provided that one British-owned steamer, registered in New Zealand be employed in the service." Sir, if the Postmaster-General will consent to strike out that proviso, which provides what is at present an impossible condition, he will, I am sure, be doing what is only fair and in the interests of the colony. It is not the slightest use for a private member of this House to attempt anything of the sort: but that course would have the effect of giving a subsidy of £20,000 to a three-weekly service between this colony and San Francisco. I believe the money would be well spent. Let us remember in this connection that the postages would go a long way towards paying the £20,000. The postage for last year amounted to £12,840. What it would be this year it is impossible to say. The Postmaster-General evidently expects it will be a little less on account of the introduction of the penny-postage, and probably it will ; but even then I venture to think it will be quite £12,000. But I want to say this: that if the effect of the introduction of oversea penny-postage is going to lose us the best mail-service we ever had, we are paying very dear for our whistle. Sir J. G. WARD .- The postage will be more. Mr. MASSEY .- Well, that goes to prove my argument, because the net cost to the colony will be so much less. Now, there is just one other point I wish to make, and it is this : The North Island Main Trunk Railway, we may expect, will be completed before this time next Parliament-say three years from now. It is a long way nearer completion at the present time than many of the public imagine. When the North Island trunk line is completed there will be a considerable saving of time so far as the Southern ports are concerned. I think at the present time it takes an average of thirty-six hours between the arrival of the San Francisco mail steamer at Auckland and the delivery of the Southern mails at Wellington, and that is when the vessels are able to get over the Manukau bar without delay, which is not always the case; but when we get the Main

to do the distance in twenty hours. That is what is expected; but supposing it takes twenty-four hours, there will be a saving of twelve hours on the present position. Sir, my time is nearly up, but I want to say this : that, looked at from any point of view you like- commercially, internationally, on any way except, perhaps, sentimentally -the Frisco service is a long way the best, fastest, and most efficient mail - service possible between this colony and Britain ; and I sincerely hope that Parliament will decide to encourage and maintain it. Mr. W. FRASER (Wakatipu) .- I wish to rise to a point of order, Sir. I have been asked the question by a good many members of the House whether, if they speak in Committee, they will have their speeches as fully reported as they are now. I believe if you, Sir, were to indicate now what procedure will be adopted in that respect it will prevent a good many members speaking twice. Mr. DEPUTY-SPEAKER .- The practice will be exactly the same as that followed on other occasions. In 1888, and again last year, I see by reference to Hansard that Mr. Speaker intimated that he would give directions to the Hansard staff to report the debate in Committee. I intend to give the same instructions when we get into Committee. Mr. WITHEFORD (Auckland City) .- I have listened with great interest to the speeches of the honourable member for Dunedin City, the honourable member for Wellington City, the Postmaster-General, and others. I did not intend to say anything at all to night, but I feel that we want to regard this question on broader lines. We want to look at it in its national aspect. We want to follow in the wake of one of the greatest statesmen England has ever seen- a man whose advice, if it had been taken, would have saved England from her present trouble in South Africa, and relieved us of the necessity of sending our sons to South Africa to shed their blood. There would have been no extra \$250,000,000 added to the debt of the British Empire; and we would have had no trouble about pianos and other expenses in connection with sending contingents to South Africa. Sir, after my arrival in England I spent many Sunday afternoons with Sir George Grey. Sir George Grey pointed out to me the mistake the British Government were making in South Africa ; but in spite of that wise man the What I British Legislature got into trouble. want the House to bear in mind is this : that the same wisdom and experience that that sagacious statesman had displayed in other parts of the world he had also displayed in this division of the Pacific Ocean. He has said to us here that as the English-speaking race is lining the shores of the Australasian continent, and is lining the shores of the American continent, all these beautiful islands lying between Australia and America ought to be under the domination of the English-speaking race of America and Great Britain. If that were the case, a lot of trouble that has taken place in the past and Mr. Massey One of the chief objects I had in referring to this matter at the present time is that the Commonwealth by its tariff will exclude some of our products from Australia. We are beginning to feel anxious, and the farmers are getting anxious that they will lose their price for oats and other commodities. I do not think this should cause great anxiety, for, after all, not the whole of the value of the oats will be lost, but only the difference in price that will be obtained between what would be got with the duty and what is got without it at the present time. But when we look at the other side of the Pacific there is an opening for our products there. If the House takes a statesman-like and broad view of the whole position, and approaches the American Government in a broad and liberal spirit, and does not go at them with a pistol at the head of the President-as we are asked to put some measures through here with a pistol at our heads-if New Zealand takes up a statesman-like position, which she could do under the guidance of Sir George Grey, and under the leading statesmen of this Assembly, I believe the greatest impetus could be given to the prosperity of New Zealand that it has ever received. Take one article - wool. At the present time there is an import duty in America of, say, 8 cents per pound on wool, which has to go to England to be taken to New York, and thence goes across the American railroad to San Francisco. All these charges and profits take away from the price we would otherwise get in New Zealand. Now, the other day I met one of the leading statesmen of America, the Hon. Mr. Eugene Loud, Chairman of the Committee in connection with postal and commercial matters, who has

been through the colony to see if in some way it was not possible for the American people to meet the wishes of the colonial people, who had always stood so well by the American mail - service. He wished to see if some reciprocal arrangement could not be entered into. Under the Act of 1897 power was given to the President to arrange treaties. At the present time several treaties are before Congress. One is on behalf of France, which wishes to introduce its wines free into America. The Californian people are great wine-producers, and do not want French wines to come into America. Our Australian friends introduce their wines to us now. I do not believe in any reprisals on the Australian people, but if they are determined not to allow our oats to go into their country, and the Americans will take our wool, why should we not take Californian wines as well as Australian wines? Last year we exported from this colony 109,000,000 lb. weight of wool, and if only we had a rebate of 2d. per pound upon that, I ask what it would mean to the farmers of this colony? It means thousands and thousands of pounds: it means so much that it is a matter of perfect indifference to us whether the Commonwealth pay respect to the regard of New Zealand or whether they do not, because we shall be independent of them. Suppose we

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reciprocal relations with America, then we need not continue the present arrangements with our Australian friends. Personally, I do not advocate doing anything that is inimical or unfriendly to Australia, because a great many of our children and brothers and sisters live over there, and we feel we are one people. But at the same time let us not forget that the same thing can be said on a larger scale of America. It is only a big English colony-a little bit bigger than we are, but with the same sentiments of blood and relationship; and the sympathies existing are just as strong between the real bona fide American people and ourselves as between the Australian people and us. I will give an instance: When President Kruger tried to get the sympathy and support of the European nations, he tried the American nation amongst others, and the American people were told that other nations were in favour of interfering and preventing war between the Britain and Boer proceeding any further. They asked what the American nation was going to do, and the reply was that if any of the nations interfered with England it would very soon see what the American nation would do; and I am proud that the Americans gave such a reply. We heard a remark made as to what the American Consul-General at the Philippines said. I will ask you to bear in mind what the American Consul-General did at Pretoria, when he was applied to by the Governor of New Zealand through the Consul - General at Auckland, when New- Zealanders were subjected to indignity and their clothes were torn off their bodies by the Boers. When they had not proper food to eat, and when representations were made to the American Government, what was the reply that was given? The reply was that the difficulty would be rectified at once; and our sons at Pretoria had entirely different treatment, owing to the kindness of the American Government through their Consul-General at Pretoria. It may be only a sentiment, but it is a sentiment of the right class. Now, in regard to the question of commerce, would it not be a great thing for us to have an alliance, a commercial alliance, with a country like America, with a population of seventy millions of people; and I am quite satisfied that if we had commercial alliances with them it would mean the protection of the American flag. It would mean that we would have the American ironclads in immediate proximity to our waters, and, in the event of trouble with Russia -- with a port on the Pacific coast-we should have a friendly Power which would protect our passengers and mails going through the American Continent. It means that we shall have their direct and personal sympathy with us. It is of more importance to us, I think, than our spending thousands of pounds in constructing forts, et cetera in this colony. The very fact that the British flag and the American flag are associated, I consider, is of the utmost importance. I consider that it is of the greatest importance that an isolated colony situated like New Zealand is, exposed as it is in the Pacific to any attack VOL. OXIX .- 32. the China coast -- it is of great importance that we should have this alliance with America. However, I

cannot deal at length with the defence aspect of the question. I shall deal more particularly with commercial matters. The question has been raised with regard to the Federal service. I am of opinion that the premier service for New Zealand is the service that will take our mails to London in twenty- six or twenty-seven days, and will bring them from London to this colony in the same time. With respect to the Federal service, we all know that it means an extended time for the delivery of our letters, and that is of great importance to commercial men. A speedy delivery of letters means that merchants who are getting shipments of goods by mail will know the price of such goods, and will be able to make the necessary financial arrangements, and arrange for the sale of those goods, and arrange for fresh shipments on the best basis. That is the commercial aspect of the question, and that, I am informed, is the correct view of the case. I come now to another aspect of the matter, and I will mention a personal incident. When I was in London a most important proposal was made by certain persons in relation to money being sent out to New Zealand, and we were waiting for our mails by the Frisco mail-ser- vice ; but the Government decided that the mails should be sent by Vancouver, and we had to wait for some ten days, and in the meantime news was circulated through certain newspapers that the finances of this colony were in a very bad state. On account of that delay it meant that an amount of some £200,000 was not sent to this colony, which would have come here to assist in developing our resources. I mention this to show the importance of a quick mail-service to the colony. I am not going to defend any particular line of steamers. I am not interested to the extent of one penny in any line of steamships in the world. Hon. MEMBERS .- Not now. Mr. WITHEFORD .- I never was in my life. And I tell you one thing : there is not one of those who are talking about an all-red British line who has done more than I have done towards getting an Imperial subsidy for an all-red line via Vancouver. I went to the British Government and I said, "Will you not give your attention to this division of the Pacific; seeing that the Pacific coast is five thousand miles nearer than any port in Eng- land, will you not give a subsidy so as to have millions of passengers under the British flag ?" And the answer was, "No; our arrangements are made. We cannot consider it, but, next to the British flag, we hope you will subsidise the American flag, because the day will come when we shall work together." If America is to be accepted as the nation's ally, is not New Zealand justified in saying, "Let us have the United States as an ally "? There are seventy millions of people there prepared to travel -- prepared to come here and see the magnificent scenery of the South Island. I speak with a

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but I always speak well of the South Island. I say the Southern Alps are a magnificent sight, and are worth the Americans coming to see them ; and if the Americans are pre- pared to pay £50,000 to have the finest passenger-ships trading here, and to pay the bulk of the cost-if they will do that, and will come here and spend their money, surely that will be of great benefit to New Zealand. And some of them may not only come and see our magnificent scenery, but they may settle down and live here. I do not see any objection to an American line of steamers coming to New Zealand. We have not a right to monopolize the seas. Sydney has its various lines, and England has hundreds of lines of steamers running to all parts of the world, and they are helping to build up a nation- to create and to expand her industries. The expansion of New Zealand is also to be desired, and it would be a good thing for us to have different lines of steamers coming to our shores. The magnificent jetties at Wellington, which some of the honourable members are so proud of, should be like hands of welcome extended to every ship that likes to come from any part to take up our products and to spread them over the world. If we were connected like the Australian States by land then we should have railways connecting us with other places, but here we have God's mighty ocean for a per- manent-way, for which there is no cost for rail- way-sleepers: all that we want is the rolling- stock. And if the United States Government are prepared to subsidise this splendid line of steamers, and to give a subsidy of £50,000 to connect New Zealand with one of the greatest centres of

population in the world, as the #cc-zero United States undoubtedly is, we ought to embrace the opportunity and say we would be prepared to enter into half a dozen contracts like that. The whole of the subsidy we are paying to this line is spent in New Zealand upon the productions of the colony. There is not a penny of that subsidy which we are proposing to pay that leaves our shores. It is distributed amongst those who produce the necessaries of life in this colony. There is no absolute cost to the colony for this service; but, on the other hand, every sovereign that is brought here by tourists travelling by this line enriches the country. I saw a letter in the New Zealand Herald the other day -I am sure the Postmaster-General will not mind my referring to this -and it was signed by a tourist, who said he had spent three hundred sovereigns in New Zealand going about and seeing the beautiful sights in this country. What we want is a thousand more men like that. Why should we discourage a line of steamers that would bring us people like that, to spread their money broadcast throughout the colony? The miserable pettifogging policy of the Government in years past has been to let our San Francisco mail-contracts for a period only of twelve months at a time. Now, I ask all level-headed men in this House if they had three steamers running between this colony and Mr. Withford not like some better and more permanent contract, so that they might make the necessary arrangements with steamboats, and railways, and tourist agencies all over the world, in order that people might arrange for travelling all over the world's surface. I am not indebted to the Spreckels Company or any other steamship company. I like the Hon. Mr. George McLean as well as any other man I know. At the same time I know for a fact that the Oceanic Company have brought out artists to paint views of this wonderland of the world, of the Southern Alps, the Sounds, and Palmerston North. Out of modesty, I leave out Auckland. What I have got to complain about in connection with the present Government is that they do not show enough "go." When I say that the Oceanic Company are sending out here and employing artists to make magnificent pictures, which they are going to place in all the cities of the world, so as to advertise the magnificent resources and the wonderful beauties of New Zealand, surely honourable members will admit that is what we want. I say, why should we do anything whatever to discourage the introduction of capital, no matter what part of the world it comes from? Do you mean to tell me that if one of the multi-millionaires of America were to come here to-night and say to the Colonial Treasurer, "Here are a few million pounds that I do not know what to do with myself," he would refuse it? I am satisfied that steamers of this class bring moneyed people to our colony. Why is it so? I will tell the House. Between Australia and America there had formerly been an inferior class of steamers running that were not suitable to the trade, and I have always felt that we should have a Pacific line of vessels of the same class as those of the Atlantic. We want steamers of large tonnage and superior accommodation in the trade. Steamers of that class would encourage people who were going round the world to come our way and spend money with us. I know for a fact that the large wool-buyers of Australia seldom pass through New Zealand. I know too that mining men who have come to our colony to inspect our mineral resources would not come here by a line of vessels that they know is inferior in many respects. My remarks, as members will understand, are directed to showing the advantage of a line like that managed by Mr. Spreckels. I know of several companies that were prepared to spend large sums of money in this colony. One was in a position to expend considerable sums in the district represented by the honourable member for Motueka, and there are other parts of the colony that would receive similar attention; but I understand that on account of the report of one man it was decided to spend no more money in the colony. I met this man on return from the colony, and had a conversation with him, and he told me that his steamer experience between Sydney and Auckland, and Auckland and San Francisco, was such that he would not undergo it again on any account. One reason

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merly patronise the Pacific route-and my friend the honourable member for Hawke's Bay will bear me out-is that they do not get that comfort they seek. When a squatter owning millions of sheep travels round he likes to be comfortable. My own opinion, therefore, is that we should not confine ourselves to any one American line, but that if we can get the Vancouver service or any other service we should take them all, especially when the owners are going to provide most of the money. In this case the company find £52,000 to run the boats, and all we are asked to pay is €15,000 or £20,000. Why, the company spend more than that amount in the colony on their various trips, most of it going for necessaries of life which are grown by the farmers. Then, if we carry out the suggestion I previously made-and endeavour to get a treaty with America-the farmers of this colony would be placed thereby in a position of positive affluence. I hear that woollen - factories are about to be established on the western sea-board of America, and if we only send our wool to that quarter instead of to London, the United States Government could afford to take off half the duty on wool-that is to say, they could take off 3d. in the pound. Honourable members will see for themselves that, as the quantity of our wool exported is something like 109,000,000 lb., the result would be that our farmers would benefit considerably, and in the face of a fact of that kind I contend that every farmers' representative in the colony should support these resolutions. An Hon. MEMBER .- Did you say 3d. in the pound was the duty ? Mr WITHEFORD .- I say that 2d. in the pound could be taken off the duty, which would mean the saving of a great deal to our farmers. Sir, I do not intend to detain the House any longer. I thank honourable members for the patient hearing they have given me. Mr. G. W. RUSSELL (Riccarton) .- Sir, one of the chief points made by the member for Franklin in the course of his speech was that, in the event of war breaking out in which the Mother-country was involved, it would be a very great advantage for our mails to be carried in neutral ships and across neutral territory. An argument like that might avail somewhat when the day comes that the prestige of England as a maritime power is likely to cease. It is not likely to appeal at present to this House or this country. This is not the first occasion on which the Frisco mail-service has been under consideration. A year ago the Postmaster-General proposed a series of resolutions dealing with the Frisco service. The first resolution was that "this House authorises the Government to enter into a temporary agreement with Messrs. Spreckels," and so on; and in the course of his speech on that occasion the Postmaster-General said, -- "The proposal in these resolutions, which is for an agreement for twelve months, upon a poundage basis, will enable the Government in the interval to determine whether any better service, which, as it is to be exclusively carried out by American steamers, is not too popular either in this colony or in Australia." Has the honourable gentleman fulfilled the compact he entered into twelve months ago with the House and the country? The temporary arrangement of a year ago was to enable the Government to determine whether any better arrangement was possible than the service with Spreckels. Now, Sir, what is the position at the present time? Have the Government endeavoured to make a better arrangement in the interests of the country than the Spreckels service ? What is our position ? Parliament has been sitting since the 1st July. The present arrangement terminates in November, and a proposal is only now brought down. Even now. What are the alternatives the Postmaster-General has to offer the colony ? Has he found out anything about a service to Vancouver ? Has he endeavoured to ascertain what the cost of a Vancouver service would be, so that he might be ready, if Parliament so willed, to carry on communication through Vancouver with England ? Not at all. Sir J. G. WARD .- You do not know anything about it. Mr. G. W. RUSSELL. - Then, let the honourable gentleman state what arrangements he has made. Sir J. G. WARD .- The honourable gentleman should not make a positive statement unless he was in a position to know. Mr. G. W. RUSSELL. - No statement was made by the honourable gentleman this afternoon indicating that he has ascertained terms with the view of picking up the contract via Vancouver if the House resolved not to carry on the San Francisco service. In regard to the Federal service, he read to the House the telegrams which had passed only within the last few days

asking whether the Federal Govern- ment would be prepared to allow our mails to come by that route, and no answer has yet been received ; while, with regard to what many members regard as the best possible ser- vice, myself amongst them-namely, a direct service to call at South Africa, using British bottoms-I cannot find that the honourable gentleman has endeavoured to ascertain any particulars which would be a guide to the Committee. In fact, the very terms of the resolutions submitted indicate that the Govern- ment has already determined to continue the Frisco service, plus Spreckels. How do I prove this ? First of all, I find on page 37 of the esti- mates this vote: " San Francisco mail service (three-weekly), £17,000; cost of transit from San Francisco to New York and from New York to Queenstown of homeward mails, €6,132 ; interprovincial service (San Francisco service), \$5,000." So that the House has already voted the money for the maintenance for a year, at any rate, of the San Francisco mail-service. Now, I want, in the second place, to show that, in addition to asking Parliament to vote the money for the Frisco service, a letter, offering a renewal of the

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by "W. Gray, Secretary to the Post Office," appears in parliamentary paper F .- 6B. I will read the second paragraph of this letter to Mr. Dunnett, the New Zealand representative of Spreckels and Company :--- "Your letter was submitted for the con- sideration of Cabinet ; and Sir Joseph Ward desires me to say that Government is unable to accept Mr. Spreckels's proposals, but has de- cided to offer him a subsidy of £12,000 a year for five years for the service in question, subject, however, to ratification by Parliament. The Postmaster-General will be glad if you will at once communicate with Mr. Spreckels and oblige him with an early and definite reply." That letter is dated 21st August, 1901, less than two months ago. Surely that indicates in the clearest possible manner what was the in- tention of the Government in the matter-that they have made up their minds that the Frisco service is to continue. If any further proof were needed it is to be found in the internal evidence that can be gleaned from the resolutions them- selves, which clearly points to the intention of the Government to carry on the San Francisco mail-service with Spreckels. Now, I do not in- tend to detain the House at any great length on this matter, but I should like to ask, in the first place, this question : Is it desirable that the San Francisco mail-service should be continued ? Mr. BOLLARD .- Aye. Mr. G. W. RUSSELL .- Well, I have no doubt the honourable gentleman's voice and vote will be given in that direction, and I shall be very pleased to hear his arguments when his turn comes to speak. The honourable member for Dunedin City (Mr. Millar) this afternoon discussed this matter from the Imperial or national standpoint. Sir, what is the position of the Spreckels Company in that behalf ? First of all, Spreckels can only carry our mails under the American subsidy in steamers that have been built and are owned in America. Secondly, only an American citizen can be the Thirdly, these vessels can be offi- contractor. cered only by American citizens. And. fourthly, as the Hon. the Postmaster-General knows, nearly the whole of the crew have to be Ameri- can citizens. That is the position, and we are asked to subsidise this company under such conditions. Sir, when I think that during the last year or two we have had some of our prominent politicians, under the influence of the Imperialistic spirit, shouting themselves hoarse about the old flag, how they spoke of sending our sons to die for it, and how they spoke of the willingness of this country to spend its last shilling, if necessary, for the defence of the Empire; and then when I see this Go- vernment endeavouring to shut this House up to sending our mails under the American flag, under the circumstances I have stated, I ask myself how much of the patriotism we have blown about so much during the past few years is really sincere when we come to bed-rock. Whatever the Government may think, the people of this country are not desirous of sub- sidising the Stars and Stripes whilst the Union Mr. G. W. Russell jingoistic stop out on this subject, but I recog- nise that ever since President Cleveland was President of the United States the foreign policy of that great country has been materi- ally altered. The Monroe doctrine has gone by the board. They

have entered upon an entirely new career as a republic, and though I do not say we are to regard them in the sense of being commercial foes, because I do not wish to imply that such will be the position, yet I cannot shut my eyes to the fact that they have entered upon a career of competition with Great Britain so far as the trade with these colonies is concerned ; and it is not for us at this juncture to throw our weight as a State into the scale with America as against the shipbuilders, shipowners, and seamen of our own nation. Now, Sir, I am going to refer to a very important document I have in my hand. It is the report of the Post and Telegraph Department, dated the 26th August, 1901, and it contains some very valuable information. It is signed by Sir J. G. Ward, the Postmaster - General and Electric Telegraph Commissioner, and is forwarded to His Excellency the Governor. Quoting from pages 18 and 19, I find this :- " Reference was made in last year's report to the fact that the Oceanic Steamship Company, of San Francisco (the J. D. Spreckels and Brothers Company), had secured a ten-years contract from the United States Government for a three-weekly service between San Francisco, Auckland, and Sydney by American-registered steamers, and that the United States maritime laws had been applied to the Hawaiian Islands, under which British vessels were prevented from trading between San Francisco and Honolulu." A little lower down I find :- "It was, however, fully recognised that it would be impossible for the Union Company to continue, as Messrs. Spreckels had secured an American subsidy of over \$50,000 a year for their own vessels ; and the 'Moana' had already been shut out from carrying passengers and cargo between Honolulu and San Francisco - a very profitable section of the service." But now I come down to give you the Postmaster-General's opinion of the service, which is contained in this report. He says,- "The service is not now looked upon with that favour it formerly was, especially by business people in Great Britain, who have repeatedly complained of the great inconvenience they suffer through the irregular delivery of the colonial mails. The effect of this may be gathered from the fact that, notwithstanding the increased frequency of the service, there has been a material falling off in the volume of mail-matter sent from Great Britain by way of San Francisco. The last inward mail from London comprised 256 bags only, as against an average of about 450 by each mail under the four-weekly running. Instead of the three-weekly mail, under an accelerated time-table, diverting mail-matter from the Federal service,

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of correspondence for months past is being regularly received by the Brindisi and Naples routes." That is the Postmaster-General's statement of the quality of this service. Mr. MASSEY .- Paying by the pound. Mr. G. W. RUSSELL .- I am indicating to you now how under the Spreckels management the value of the service has fallen completely away, and is not recognised by the English correspondents as of value. But now I come to a more important part, two paragraphs further down : - "The papers which are to be submitted to Parliament will afford further information as to the present position of the service. They will also show that any contract entered into by this colony can only apply to the outward service, the inward service and the departure of the vessels from San Francisco being completely regulated by the United States Post Office. As a matter of fact, the Postmaster-General, Washington, has made it quite clear that the Oceanic Company has no authority whatever to negotiate or contract with New Zealand for the transport of any mails from San Francisco to the colony." Mr. NAPIER. - But the Postmaster at Washington has consented to the delay of the steamers at San Francisco to await the mails. Mr. G. W. RUSSELL .- The honourable gentleman will be able to explain that, I have no doubt we shall get it from him a little later on. Now, I quote still further :- "Mr. Spreckels is so far satisfied with the strengthening of the vessels' machinery that he has submitted proposals for a five-years contract. These are under consideration, and in due course will be laid before the House of Representatives on the question of the continuance of the service coming up for consideration. It may be mentioned, however, that the colony

is now paying at the rate of £17,000 a year for the use of the service for the transport of its outward mails." Now, Sir, can any one say. after these reports by the Postmaster-General, that he is justified in coming down to this House and saying that, of all the services that are possible for New Zealand at the present time, this one is the one above all others that should be selected ? Now, there is a reference in the course of the resolutions to a British-owned steamer. That may be at once dismissed as mere padding ; putting in that clause is simply an absurdity. Everybody knows that it is not possible under the American maritime laws for an English- owned vessel to be used in that service under any circumstances. I think the Postmaster- General made the suggestion this afternoon that we should invite Spreckels to bring pres- sure to bear upon the Washington Government to relax the United States maritime laws in our favour. That can be taken as an instance of the Postmaster-General's humour ; it cannot be taken seriously. I think if we were to stop the subsidy, then Spreckels might begin to talk loudly to the Washington Government ; but to subsidise him and then appeal to him to bring ment to alter the policy of that nation in our behalf is simply a proposal that is not likely to be given effect to. I would also emphasize the point made by the member for Dunedin City (Mr. Millar) this afternoon -- that the very vessels carrying our mails are all built as auxiliary cruisers, and every mail-boat that comes into Auckland Harbour with the San Francisco mails has six naval cadets, who are being trained for the purposes of the American navy. That is the position, therefore, that we are in. I am not at all sure whether, under his contract with the United States, Mr. Spreckels is not compelled to come to Auckland in any circumstances. It looks to me from the papers, so far as I have been able to read them, and es- pecially from the Postmaster-General's report, that the contract between Spreckels is for a service from San Francisco to Auckland and on to Sydney, and that he will have to carry that out in any case under his contract with his own Go- vernment. Our subsidy is so much found money for him. Now, Sir, let us look for a moment or two at what the San Francisco mail-service is worth to us as a cargo and passenger-carrying service. The return laid before the House on the motion of Mr. Millar, giving the working of the service for the last ten years, indicates very plainly what the result has been. From San Francisco to Auckland during the ten years there were 3,081 passengers and 31,383 tons of cargo-in other words, 300 passengers and 3,000 tons of cargo per year. The outward service from Auckland to San Francisco shows : Passengers, 3,940, and cargo only 8,331 tons in ten years-only 830 tons per year ! It is quite evident, therefore, as a commercial service and passenger service, this line is not a popular one, and is of little use so far as our export trade is concerned. Now, my idea is this : that instead of devoting ourselves to this service, which is really an American one, and paying the large sums of money the Government ask us to pay for this purpose, we ought, as I have already suggested, to spend our money in setting up a fast line of steamers to carry our mails between New Zealand and the Mother-country via the Cape. An Hon. MEMBER .- What would that cost us ? Mr. G. W. RUSSELL .- I am not in a posi- tion to give an estimate of what the cost would be. But, Sir, what has Victoria always done ? The policy of Victoria has always been to utilise her mail-subsidies as a means of securing low freights for her dairy farmers and other pro- ducers, and that, I maintain, should be the policy of New Zealand at the present time. Surely now, when there is a prospect that we shall be able to enter into competition with the other colonies for the South African trade, we ought to assist our exporters by means of our mail-subsidies. If we cannot do that, my pre- ference will go in the second place to the Vancouver service, in order to maintain an all - red line between New Zealand and the Mother - country. If that is not available, then let us vote for the Federal service. So

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prepared to admit, as a matter of honesty, that it is the fastest service we can have, but I believe that the question of speed is not one of supreme importance. Certainly to my con- stituents the opening-up of export markets is of far greater importance than a few days' speed in the mails. If the Frisco service were

being conducted, as it was a short time ago, by the Union Company of New Zealand, or even by a British-owned line running under British laws, I would not have the same objection to it ; but I do object, as a New-Zealander and a representative of a farming constituency, to the money of this colony being spent in subsidising a service that is set up in the interests of America. That great country has fenced herself round with a protective barrier, shutting out our produce, and has actually driven our own line of steamers off the ocean highway between Honolulu and San Francisco by her maritime laws. Therefore, when the time arrives, I shall be prepared to vote against the continuance of the San Francisco mail-service. Mr. BUDDO (Kaiapoi) .- The question of a mail route to the United Kingdom is of great importance to this colony, and I am pleased that the House has to decide this question of the mail-route. This course is commendable when the subject is one of subsidising a foreign line of steamers. I shall try to explain to the House what is my opinion of the service, and what we are losing by offering to Spreckels and Co., an American-owned line of mail steamers, the sum of \$28,000 between sea and land carriage of our mails to England. In considering these mail-services, one must consider the question of its being practically the only service between here and the United Kingdom. The honourable member for Franklin disputed the assertion of the member for Dunedin City, that there is an alternative route offered to the public of New Zealand by which to send their letters. According to the official time-table of 1901, I find that there are the following routes, -the 'Frisco route, the Vancouver route, the Brindisi and Naples route; and then there are the Direct steamers. Thus, there are four different routes, but three of them are marked with an asterisk, and the footnote states that letters must be specially addressed or they will be sent by the Frisco line. I think if the honourable member for Franklin will look at the time-table he will see that what I have stated is correct : that the Post Office authorities send the letters by the Frisco route unless they are specially addressed to go by another route. Thus only one route is favoured by the Post Office authorities. The proposals before us are for another Frisco mail-service contract. to the exclusion of any other mail-service by British steamboats, and this after the Government putting before the House and country last session that one year's temporary service was to be provided for at a rate of 10s. 5d. per pound for letters. We now propose to offer Spreckels and Company a reduced rate, 7s. 6d. a pound for letters, 1s. a pound for books, Mr. G. W. Russell papers, and in addition the Auckland Harbour Board is asked to give free wharfage and dock accommodation to their ships while they remain there. An Hon. MEMBER .- It has always done so. Mr. BUDDO .- Well, this must be considered as another payment to Spreckels and Co., because they must go there on the inward route vid Auckland. I am not aware how much that amounts to, but it is probably a very substantial sum. I now come to the question of how much value to the colony of New Zealand is this particular mail-service via San Francisco, and, on looking at the return of the Post and Telegraph Department, I find that we received via San Francisco 595,717 letters, and via Brindisi by the Orient Steamship Company 500,382. Practically we have received as many letters by the Suez route as by the San Francisco one. Then, looking at the number we have sent, I find that we have sent from this colony 535,029 letters via San Francisco, and via Suez 209,877. Now, considering these figures, I put it to the House whether this service is worth the amount of subsidy which it is proposed to give to Messrs. Spreckels and Company; and in considering the question we must bear in mind, not only that the sum of 7s. 6d. per pound is to be offered for letters, but also that we are offering a most extravagant sum for carrying books and newspapers. The amount offered for books and packets is 1s. per pound, and for newspapers 6d. If that is compared with the amount paid by New South Wales to the same company it will be seen that there is an enormous difference. New Zealand pays, say, 8d. per pound for what New South Wales pays 4s. 6d. per hundredweight. On that basis we pay £3 14s. 8d. for what New South Wales pays 4s. 6d. This is an eye-opener in mail-carriage, and we ought to consider how long we will go on paying 3d. to 34d. postage per copy for weekly newspapers to the Old Land. The daily papers convey very little impression of our colony to friends in the Old Country. and many

settlers would hail with delight a cheaper newspaper postage for our well-got-up weekly journals to send to friends at Home. Now, what is the amount of traffic with the Atlantic ports? I wish to show how little reason there is for maintaining this particular Pacific line. Last year our imports from the Atlantic side per ocean-tramp or sailing-vessel amounted to \$687.906 in value, and from the Pacific side, \$87, 403 ; and we exported to the Atlantic ports of the United States, \$387.614 worth, and to the Pacific coast, \$45,885. Practically then, the trade we have from this particular line is fined down to very small parcels. Then, this trade is even now decreasing, for in 1898 we sent \$1,423.544 in value of exports to the United States, and in 1899 only \$1,208,808 worth. The fact of the matter is, that most of our exports to the United States of America are of equal value in London, and would bring quite as much if the Auckland Province would send its exports direct by other routes. The exports were : From Auckland,

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wool, that particular commodity with respect to which so much was expected from the United States, we sent only £7,750 in value -- a very small amount, considering that these particular commodities are worth quite as much in the Old Country as in America, and that America charges heavy duty; and the freight would benefit our direct steamers, and, I believe, assist us in lowering the freights on our exports to the United Kingdom. Other members have already spoken of the fact of the passenger traffic by this line being very small. Only 319 passengers came to the colony by this line last year, and there has only been an increase in imports of some 4,000 tons during the past nine years. The export side of the question is even worse, because we sent from Auckland to San Francisco 601 tons in 1891, and we only sent 1,395 tons during 1900, which is hardly a reasonable increase for so well subsidised a route, more especially when we consider that up to the last few years we have given £26,000 a year as a mail subsidy. This particular line of steamers is practically State-owned by the United States. They receive \$52,000 a year by way of subsidy from the United States Government. They are built according to plans approved by the United States Naval Department, and according to the conditions imposed by that Government they must carry one apprentice for each thousand tons of carrying capacity. Apprentices rank as petty officers. The American Government practically uses this line of steamers as training-vessels for their navy, and it is to be regretted that we do not follow this example and use our trading steamers in New Zealand as training-ships for our boys. There are other features with regard to this particular route which show how much favour it receives. For instance, the Agent-General instructed the Imperial Postmaster-General to send all postal matter intended for this colony via San Francisco except that posted for one week after the Frisco mail left. Notwithstanding this we find that of the letters sent from the United Kingdom to this colony there are practically as many by the Suez route as by the San Francisco route. Personally, I consider the proposals are unfair to the colony as a whole, especially as we desire in this colony to foster our trade ; we must give our support to a mail-service by some British line. The Spreckels line of steamers will be used by the American Government as cruisers in the event of war ; and in that eventuality how is our mail service to the United Kingdom We are practically flouting to be carried on ? the British lines, and in time of difficulty between the United States and any other Power it might be the means of those steamers being withdrawn from the service, and then our mail-service will be at the disposal of the Australian Commonwealth, and we will have to pay them what terms they choose to demand. We ought to be patriotic even in our postal relations with our own people. If we encouraged a mail line via Australia we will show a reciprocal spirit at least. Taking the case stated by the Postmaster to the Federal mail-service we might possibly get an improved service. In fact, a fortnightly service will be obtained by the Federal line. I do not think we should stoop to beg any foreign steamship company to carry our mails, for these proposals are practically cringing to them, and there is no other Australasian State that offers a subsidy to a foreign line of steamers. Mr. MASSEY .- What about the Messageries line

? Mr. BUDDO .- They take the Australian mails only by poundage, and at a very small sum ; no subsidy or increased rates are given. Our trade is almost entirely with Aus- 9.30. tralia and Great Britain, which practically takes nine-tenths of it, and it is only right that we ought to use our subsidies for the purposes of trade, and not for the sake of one or two days' shorter service use foreign-owned steamers to carry mails for us. I wish to draw the Postmaster-General's attention to another matter which is perhaps trifling in itself, but which shows how much interest the United States Government take in our tourists who go through their country to see it on their way to the Old Land. Every passenger going across America has to pay duty on his luggage if it is dutiable, and he does not get the duty returned to him at the other side. If he says he will not pay the duty, his luggage is put into bond at a cost of £2 10s. per hundredweight, or at the rate of €56 per ton, an extravagant charge that shows a hostility that Americans do not meet with in this colony. At all events, that is the charge put on all luggage carried over the American Continent if there is anything dutiable among it. That is the sort of treatment we are getting, and it is the sort of treatment we have no right to expect. The fact of the matter is that our reciprocity with America must be confined to after-dinner speeches ; and until America holds out a different system on which to do business with us we may well think they consider it is the Pacific for the Americans, and now New Zealand is asked to pay the bill. New Zealand does a great deal already for the United States owing to the fact that we use a large quantity of agricultural machinery which is manufactured there. At the present time we take in almost everything of that class duty-free. As a matter of fact, more than one item of the kind carries no duty whatever - such as reapers and binders- and there is only 5 per cent. on oil-engines and agricultural implements. Kerosene is also free of duty here. The return we get is that they will use our mail subsidies for the purpose of exploiting our trade, and the interests of our colony are going to be put last, and yet we propose to give them a large subsidy, amounting to the sum of £28,000 a year. Personally, I think we ought to be more businesslike. The present proposal is costly, and of no advantage to passengers, except to the few who can afford to travel by a costly route. Our own settlers are interested in getting a cheaper passage to the Old Country, and we are not going the right way to secure that for them by subsidising an

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that it is winter overland in the States at the very time New-Zealanders would go by it to visit the Old Country. There are several ways in which we could, I think, carry out a better mail-service. It might be a day or two longer. I would ask honourable members to bear in mind that the table quoted by the honourable the Postmaster-General shows the average time taken on various routes. I contend that the minimum time should be quoted, for the reason that we are now paying nothing but poundage rates to the Union Steamship Company for carrying mails to Australia for the purpose of joining the Federal route. If we were to give the Union Company a concession I have no doubt they would save us three or four days. They would run steamers to catch the Federal mail, which, being a fortnightly mail-service, would be of more value to our business-men than the present three-weekly service, and by subsidising that line it would no doubt lead to better results. I confess that I see no possibility of New Zealand, within the next few years, being able to adapt the Vancouver service to our needs. There is a question of building faster steamers than those on the line at present. There is also the question of the contract with the Queensland Government. Both of these reasons prevent us considering the Vancouver route. If we are going to assist any company, I say let it be that one that belongs to New Zealand. At the present time we have various short services which the people of New Zealand would like to see improved. Take, for instance, the service between Lyttelton and Wellington. That service, I understand, the Union Company will improve in the near future, and there is no doubt they would improve it still further if a concession were given to them. I know they have a monopoly of the services round the coast, and that they have

losses on particular lines; but when we have anything to give it should be given to the company that is doing our own carrying trade, and we should include in any contract provision for an improved fast ferry-service from Wellington to Lyttelton. I recognise that others wish to speak; but I wish to dwell for a few moments on the fact that Spreckels and Company are not at all likely to stop the service even if they get no subsidy at all, especially with the £52,000 subsidy given by the American Government; and the fact that it is for the purpose of exploiting trade in the Australasian Colonies will oblige them to continue to touch at Auckland both in and out with only such rates for mail-matter as are given to other lines. I see no reason why we should give the large amount of 7s. 6d. - four times as much as is paid by New South Wales. Mr. MASSEY. - What do you pay by the Federal service? Mr. BUDDO. - Only postal rates. Mr. MASSEY. - You pay 12s. per pound. Mr. BUDDO. - That is for the whole distance. This proposal is for 7s. 6d. for the sea voyage across the Pacific alone, and then there are other charges. Mr. Buddo Mr. BUDDO. - Inland charges, and charges across the Atlantic. The whole has to be added together, and amounts to a much larger sum than 7s. 6d. per pound. The return we have gives the whole of the particulars, and I am simply giving the facts I find in the Post Office return. The member for Franklin quoted a special trip made by a Spreckels liner which resulted in a twenty-six days' service. But every steamship company who wishes to advertise can knock off a few days, and we may be certain that that rate would not be kept up, and in all probability they will not run their boats except at the minimum rate of speed. We find Vancouver was only a one-day longer service; but we may come to the conclusion that this service is not available at the present time. The colony as a whole has no objection to the Frisco service running at ordinary postage rates. But, I venture to say, this House will not have the approval of the country if it goes on the unpatriotic lines of supporting a line of steamers that are not only retained by the American navy, but used as training ships, and subsidised specially by America to exploit trade in the Australian Colonies, and not in the interests of our export trade. I shall record my vote against the proposal for any additional payment to the Frisco service except the usual postal rates. I am quite willing that Auckland should be the port of call, and I am delighted that Auckland should have all the privileges we can give her; but I am against any special payment to a line that in no way assists our export trade, and strongly urge that some British line should be employed to convey our mails to the United Kingdom. We should aim at cheaper cable rates and a regular fortnightly service via Australia for our business-men, and this can be obtained via Melbourne and Suez. And we must bear in mind that any assistance we render to the Federal mail-route must be of advantage to the Commonwealth of Australia, and therefore in the interests of good trade relations. Mr. NAPIER (Auckland City). - I desire, in the first place, to compliment the Postmaster-General for the businesslike, and I think convincing speech with which he introduced these resolutions; and I should like, also, to disclaim any approval of the aspersions which have been cast on the honourable gentleman personally by a portion of the newspaper Press in the North. I feel satisfied that the public of Auckland do not approve of those aspersions, and those who know the honourable gentleman recognise that the patriotic zeal of some writers in the Press has led them into making statements regarding the honourable gentleman that cannot be justified. There is one thing of which I wish to disabuse the minds of some of the southern members, and that is the assumption that there is any wish on the part of Auckland, or the people in the North, to obtain anything for themselves which is either unjust or which would militate against the prosperity of the southern portions of the colony. We have no hostility to a Federal mail-service, and we are

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the more mail-services you can afford to have the better it will be for the colony. I shall show presently, by a comparison between the three services, or the four services, that have been mentioned-namely, the Direct service, the Federal service, the Vancouver service, and the San Francisco service, that upon

every ground the San Francisco service is the best in the general interests of the colony and of the Empire. The honourable member for Dun- edin City (Mr. Millar) « axed very eloquent on the patriotic line, and he said that we were dragging the flag in the mud by these resolu- tions. Well, we know, under existing circum- stances, how very easy it is to arouse prejudice when you touch the patriotic spring; and no doubt the honourable gentleman, with an amount of ingenuity that does him credit as a special pleader, touched the chord which he knew would evoke the strongest response. But I contend that there is not the slightest justifica- tion for the suggestion that these resolutions necessarily exclude British ships from the San Francisco service ; nor is it a fact that under the existing American law it would be im- possible for a British liner to carry the mails between New Zealand and America. There is not a word in the United States naviga- tion laws which prohibits a British steamer from trading between New Zealand and San Francisco. I, personally, would go 80 far as to say, -so strong is my desire that there should be a British ship, or even two British ships, engaged in this service, -that I would be prepared, if it were possible, to vote for a very much larger subsidy than the one we are now discussing if British ships alone could be employed in the direct traffic between here and San Francisco. It is true that there is a very profitable trade between San Francisco and Honolulu, and that is the trade that the mail-steamers endeavour to secure. It is the protit arising out of that trade which enables them to carry the mails at the present rates. Honolulu is a fashionable American watering- place, and there is a large passenger traffic between the Western States and the Hawaiian Group, "and no doubt under the present law British ships are excluded from participating in that traffic. But our own law gives power to the Governor in Council to exclude foreign ships from our coastal trade in the same way. Now, take the Imperial law, "The Merchant Ship ping (Colonial) Act, 1869," and section 180 of our " Customs Laws Consolidation Act, 1882," and you will find that there is power given by the Imperial Parliament to the Legislature of any British possession to deprive a foreign- owned ship of any right to participate in the coastal trade. Section 180 of our Act of 1882 says this : - "If it shall be made to appear to the Governor that British ships are subject in any foreign country, either directly or indi- rectly, -- " (1.) To any prohibitions or restrictions as to the voyages in which they may en- gage, or as to the articles which they country : " He may, by Order in Council, impose such prohibitions or restrictions upon the ships of such foreign country, either as to the voyages in which they may engage, or as to the articles which they may import into or export from any part of the colony, as he may think fit, so as to place the ships of such coun- try on as nearly as possible the same footing in ports of the colony as that on which British ships are placed in the ports of such country." It will be seen, therefore, that there is power under our existing law to place foreign shipping companies under a similar disadvantage to that which our ships are placed in, as far as the United States navigation laws are concerned, in trading along the American coast. But, Sir, I believe that if our present Government had taken time by the forelock, and used a sufficient amount of energy three or four years ago, when the Act of Congress was passed which precludes our ships touching at Honolulu and taking up passengers and cargo there, that Act would not have been passed, and the general navigation laws of the States would not have been con- strued so as to exclude our ships from Honolulu. It has been possible for the neighbouring Do- minion of Canada to obtain exemption from this restriction, and I believe, with a sufficient amount of diplomatic pressure, the restrictions would have been removed so far as this colony is concerned. The honourable member for Dunedin City also, with a melodramatic air, said, "Why subsidise a foreign flag?" I say, why do you buy goods from foreign countries ? But we are not subsidising a foreign flag. There is not a syllable in these resolutions to sub- sidise a foreign flag. We do not give a subsidy at all. What we are offering is payment for ser- vices to be rendered. We shall get value for the services rendered if these resolutions are carried just the same as when we buy foreign goods. Do not the constituents of the honourable member for Dunedin, and do not the farmers of this country, buy hundreds of thousands of pounds' worth of foreign goods? You might just as well at once erect a Chinese

wall around this colony and say we shall not trade with the outside world at all, and that we shall not purchase foreign goods. It is too late to do anything of that kind now. The dissemination of economic truth has rendered such a thing impossible. The whole world is practically one country for trading purposes, and these hostile restrictive laws and narrow views of the laws of commerce should be swept away. Now, Sir, I want to comment upon a remark of the honourable member for Riccarton, as I see him in his place. The honourable member said there was no guarantee that the steamers would wait at San Francisco in order to carry the inward mails. I interjected a remark that there was a letter from the Postmaster-General at Washington on the subject, and I want to show the honourable member for Riccarton that he is in error in supposing that there is no arrangement

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at Washington have been most courteous to our own Post Office, and if the honourable member will look at the correspondence in Parliamentary Paper F .- 6 he will find there the correspondence on this subject. I have not the time to read it all, but I propose to quote the letter from the Superintendent of Foreign Mails at Washington to the Hon. the Postmaster-General, dated Washington, 15th February, 1901. He says, - "SIR,-I have the honour, by direction of the Postmaster General, to acknowledge the receipt of your letter of the 19th ultimo, in which, with reference to the mail-service from San Francisco to Auckland to be performed by the Oceanic Steamship Company of San Francisco under its contract with this department, you request this department to provide for the detention of the steamers at San Francisco to await the British closed mails for the colonies, whenever that course may become necessary, in order to secure the prompt despatch of mails which have been delayed en route to San Francisco. "In reply, I have to inform you that, while this department cannot compel the Oceanic Steamship Company to hold its steamers at San Francisco for the purpose mentioned, yet there is no doubt that the company will comply with this department's request to that effect, and the department will have no hesitation in making such requests. In fact, such requests have been made on three occasions recently in cases in which the mails from New York failed to make connection at Chicago with west bound trains, and the steamers were held at San Francisco for not less than eighteen hours on one of those occasions. - I am, &c., "N. M. BROOKS, "Superintendent of Foreign Mails." The honourable member for Riccarton will, therefore, see that we can put a term in the contract with Spreckels and Company, compelling the steamers to wait at San Francisco for the British mails arriving by train from New York. The Washington authorities have no power to compel the steamers to wait; but we have the power, and can make any contract with the company we choose. The Washington authorities did, on three occasions, out of courtesy to us, request that the steamers should remain at San Francisco until the trains arrived, and each of those requests was complied with. Now, Sir, let us consider what is the mail-service that is offered us via San Francisco. shall compare it with the other suggested alternative services, and honourable members will see that for speed, for superiority of passenger accommodation, for quickness in the transit of mails, the San Francisco service is incomparably the best. I assume that when the Minister speaks of the Vancouver line he refers to the only possible company that can take up that service -- that is, the Canadian and Australian Company. I will compare the steamers of this company, their steaming power, their capacity, and their speed with those of the San Francisco service. There are three steamers Mr. Napier "Sonoma," and " Ventura," each of 6,000 tons capacity. These steamers have a guaranteed speed of seventeen knots per hour, and each steamer has accommodation for 210 first-class, 100 second-class, and 100 steerage passengers. I may here remark that the distance between Auckland and London via San Francisco is the shortest of any route; it is 12,276 miles, so that, no matter what steamer is subsidised, this is the most direct route. It is the best route also so far as passengers are concerned, for the highest parallel of latitude through which it goes is 40° North. It therefore passes

wholly through temperate climes. Contrast that with the Vancouver route, which goes into the cold seas, and in winter would certainly be avoided by passengers not only because of the cold at sea but the severe cold of the railway journey across Canada. Now, here are the steamers of the Vancouver line-one is 4,250 tons, another 3,915 tons, and another 3,500 tons. Well, all the Oceanic steamers are 8,000 horse-power, and the Vancouver steamers are only 4,000, 4,500, and 5,000 horse - power respectively. Then, the speed of the steamers of the Oceanic Company is seventeen knots, and that of the Vancouver steamers is sixteen knots. The average speed, however, during recent trips, including stoppages, has been : Oceanic steamers, fifteen knots; and Canadian-Austra- lian steamers, 12.99 knots per hour. The dis- tance from Auckland to San Francisco is 5,930 miles, and the distance from Vancouver to Wellington is 6,829 miles; and if the Vancouver steamers started from Auckland, the distance would be about 6,500 miles, as compared with 5,930 miles from Auckland to San Francisco. Now, an honourable gentleman spoke of an all- red route: Do honourable members realise that the Vancouver service letters go across the United States by the United States railways ? The only portion of the Vancouver line that you may consider "red " at all is the Pacific Ocean voyage in a British vessel ; because the letters are sent from Vancouver over the United States railways to New York, and in United States steamers, as a rule, between New York and England. If the mails were sent from Quebec to England, the steamers crossing the Atlantic from Canada are very much slower, and take a very much longer time than the New York liners. The time occupied in crossing the continent of America by the San Francisco route in the train is four days and four and a half hours ; and I the time occupied in crossing by the train from Vancouver to New York via Montreal is five days sixteen hours. There is thus one day eleven and a half hours saved via San Francisco in the transmission of mails across the Ameri- can continent. It has been already shown by the figures quoted by the Postmaster-General that the average time of the mails is very much less both inward and outward by the San Francisco line than by the P. and O. or Orient lines. I think the Vancouver service is practi- cally out of the question. I am not averse to the Vancouver service if my honourable

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I would like to see both the Vancouver service and the San Francisco service if possible, but I do not think that many passengers would travel by the Vancouver line. I will give you the following comparision of the speed in delivering the mails to Auckland, Wellington, Dunedin, and the Bluff by the San Francisco and the Federal service : - " Average number of days within which the mails were delivered at and from London and Auckland, Wellington, Dunedin, and the Bluff during 1900 by the San Francisco and by the P. and O. and Orient Lines :- San Fran- P. and O. Orient line. line. cisco line. Days. Days. DayF. London to Auckland 39.38 39.15 31.71 40.74 Auckland to London 30.85 40.36 London to Wellington 32.86 40.35 39.96 Wellington to London 32.69 41.20 42.14 41.13 London to Dunedin 34.07 41.71 41.01 Dunedin to London 33.69 41.89 40.38 40.96 London to Bluff 34.82 Bluff to London 41.14 34.44 40.26 From this you will see that if you take even from the Bluff to London there is a saving of seven days by the San Francisco route, not- withstanding the long distance from the Bluff to the steamer terminus at Auckland. The people at the Bluff can get their letters by the San Francisco route seven days earlier than by either the Orient or P. and O. line. Now, that is the present position ; but, when the North Island Trunk Railway line is completed to Auckland-say in another eighteen months or so - there will be a saving to the South of another seventeen or eighteen hours. Thus, I think, we can safely reckon that from eight to ten days can be saved by the San Francisco route as against any of the alternative routes. A great deal has been said about the small amount of trade that this colony has been doing with the United States. The matter has been, I think, most unfairly put. The amount of trade we are doing with America at the present time is over a million and a half per annum; it is, to be exact, \$1,520,669. That was the aggregate amount of trade

between New Zealand and the United States last year. The value of our export of kauri-gum last year was \$525,000, and for the previous year it was \$397,607. The trade with Canada was only \$41,340, and yet we are proposing to subsidise a line of steamers to Canada in preference to one to the United States. It is true that the greater proportion of the American trade comes to us by steamers from the eastern ports of the United States. But that is immaterial. The correspondence which stimulates the trade goes direct via San Francisco. I maintain that we are now very unwisely engendering a spirit of hostility to the United States. The speeches of the opponents of the San Francisco service to-night have been characterized by a note of hostility against our American cousins - a people of the same flesh and blood, speaking the same language, glorying in the same literature, the same religion, and practically the same laws, and with whom we are doing the large volume of trade that I have stated. An all-red route has been spoken of, but I would point out that even the Federal service is by no means an all-red route. There is no such thing as an all-red route, and the sentiment on that point is an utterly misleading one. The mail via Suez is sent across Italy and France - through foreign territory; the mails via Vancouver would be, if such a service was established, carried as they were before to New York on the United States railways, and shipped by fast United States steamships to Great Britain. Now, what difference does it make, as far as the opponents of this service are concerned, whether you have American ships carrying your mails on the east coast of America or on the west coast? An Hon. MEMBER. - British ships from the west coast. Mr. NAPIER. - No, they were American ships. The mails were sent by American vessels. Then, I would point out that this service is the cheapest. I think the figures are even more favourable on this point than the Postmaster-General stated them to be. I would point out, before referring to the present cost, that in 1889 we paid for a very much inferior service £29,739, and in 1885 £31,250, and that was for what would now be considered a slow service, which occupied thirty-seven days between this colony and Great Britain, whereas now we are only offering £15,000 for a three-weekly service to occupy seventeen days between this colony and San Francisco, and twenty-six days from New Zealand to England. The cost to this colony amounted to only £5,984 11s. 9d. last year, and I make it up in this way :-

DR	s.	d.
3	0	0
Paid to mail steamers 12,693		
Paid transit charges, San Francisco to New York ..		
7	5	4,300
Paid transit charges, New York to Queenstown 4 1		
£18,825		
Total .. CR. 4 .. 12,840		
12 Postages collected ..		
Balance, being net cost £5,984 11 9 ..		

I exclude, of course, and properly so, the cost of the interprovincial service, which has nothing whatever to do with the San Francisco service, and must be paid for no matter what mail route you adopt. Now, I would point out that by employing the San Francisco service we are practically getting a subsidy from the United States of £52,000 a year, and this colony has only to pay \$15,000 a year to the Oceanic Company to carry on the service. The United States Government are giving a subsidy of £52,000 per annum, and they carry our inward mails without any cost to the colony at all. They have shown, also, by the courtesy that has been extended to us by the postal authorities at Washington, that, notwithstanding the large sum which the people of the States pay by way of subsidy, they do not oblige Mr.

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cisco without waiting for our mails. Now, a remark was made by an honourable member that the Oceanic vessels were not in good working-order, and were not keeping to the contract time. I would point out, Sir, that the "Sierra," in the August trip of the present year, notwithstanding that she was detained forty-one hours at Honolulu and Pango-Pango, was only twenty-eight hours late in reaching Auckland. That is to say, she was thirteen hours ahead of her contract time, allowing for the island delays. The average speed of the vessels for the last three trips has been sixteen knots right across the Pacific. It has been said that the statement that this service would be of value in time of war is ridiculous, and the observation has been subjected to cheap sneers. I would like to quote as an authority a gentleman who is now in this

House, and was in it in 1885—that is Captain Russell, the honourable member for Hawke's Bay, who, I think, will be admitted to be an authority in this House. He said in 1885 :- "There are one or two reasons why it is extremely desirable that the San Francisco route should be continued. The question of the possibility of war with Russia I will not go into again, but it is a point which struck me the very instant I knew that the question was to be brought under discussion. It must be evident to every honourable gentleman who takes an interest in European politics that war with Russia, though it may not be very probable, is yet quite within the bounds of possibility; and, as we saw in the American war how one 'Alabama' almost destroyed the commerce of the States, and though the navy of England may be sufficiently powerful to sweep the seas of nearly every privateer, our mail-service could be endangered by one single privateer. And supposing such a dire calamity as war with Russia should happen, I believe it would be an infinite advantage that our mails should be carried by American bottoms and through California. If it were on that ground alone I should be glad of the continuance of the San Francisco mail-service." Now, what does Sir Julius Vogel, formerly Premier of this colony, say of the service ? And there was no more level-headed man in the House, as far as business was concerned, than he. He said the matter was absolutely beyond the reach of controversy. In proposing, in 1885, a resolution in this House to renew the San Francisco mail contract, with a subsidy of £30,000 per annum, he said :- "I must therefore speak upon the subject, although there should really be no necessity to speak upon it, for a more successful mail-service or one of a less costly character it is not possible to conceive." I give these views for our guidance, because it is desirable that the younger members of the House, of whom I am one, should know what the experienced statesmen, the men who have been the pioneers of this colony, have thought on these questions. There are several other quotations I should have liked to make. There is Mr. Napier 1885 by the late Sir George Grey, a speech that is full of eloquent appeal and potent arguments, but time will not permit me to read any portion of it. Captain Russell in those days predicted that it was within the bounds of possibility that the service could be done in thirty-five days. Now, here we have a twenty-six days' service, or nine days better than the service the honourable gentleman dreamt was within the bounds of possibility ; and we are getting it at a less cost than was paid in those days. The trade with America is constantly growing, and its expansion during the last few years has been very considerable. Mr. DEPUTY-SPEAKER. - Time is up. Captain RUSSELL (Hawke's Bay) .- Sir, I feel that the question has been so thoroughly debated there is extremely little I can add to the arguments put forward in favour of the San Francisco route. I have been extremely interested by the speech of the honourable member for Auckland City (Mr. Napier), to hear the words of wisdom to which I gave utterance so far back as the year 1885. I confess I had forgotten I had spoken on the subject so long ago. However, I am nothing if not consistent, and therefore I am glad to find that after an interval of nearly twenty years, I hold practically the same views on the subject as I did so long ago. I have no intention of trying to thresh more grain out of the straw which has already been threshed. But I shall refer to one or two other subjects in connection with the San Francisco contract that have not been alluded to, and I will also explain the way in which the question presents itself to my mind. I think the first question I ask is : Do we want a regular service of mail delivery in the colony ? I suppose everybody will agree it is desirable we should have a regular service of mail-delivery, and, if we are to have a regular mail system, most will add that it is essential it should be one of the greatest rapidity. I admit that on that point I have my doubts. I am inclined to believe with those honourable members who hold that the most important business must be done by cable, and, therefore, that the question of an extremely rapid mail communication is not of vital importance. But common-sense also teaches me that the country will not be satisfied unless it has as rapid mail communication as can possibly be got, so that, whether my views on the subject of the inutility of rapid mail communication are right or not, it is certain the country will demand a rapid steam communication with the ends of the world. 'Then, if that is the case, I would ask which is the quickest

route by which we can communicate with Europe? There can be no question about it that, until either the canal through the Isthmus of Panama is completed or the system by Nicaragua is inaugurated, the route by San Francisco must be the quickest route; and, as neither the Panama nor the Nicaraguan routes can be available for a considerable number of years to come, we may put them on one side, and agree that the San Francisco route in the meantime must be the quickest.

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-is it possible for us to afford to run a direct mail-service by long sea-route at any rate whatever that will pay us? I unhesitatingly say, in my opinion a cheaper rate than we can otherwise get. A direct quick service via Cape Horn or Cape of Good Hope to England is out of the question. We could not make the time sufficiently quick, and if we attempted to do so, as the steamers must be dependent for their success upon freights, it is impossible that we could afford to drive large steamers, with 9,000 or 10,000 tons of freight in them, at such a rate as would enable them to deliver mails at an extremely rapid rate. Therefore, we may put the question of a direct line out of our consideration. The point which most concerns me is this : which line would give us the quickest communication with the largest number of people with whom we are likely to do trade-that by Vancouver, which amounts to £21,333; and is Vancouver, by San Francisco, the direct sea-route, or the Federal service? And I unhesitatingly say the conclusion to my mind is absolutely clear that the San Francisco mail-route will give us the fastest communication with the greatest number of people with whom we do business than any of the other alternative lines. That is, our communication with Europe by San Francisco will be more rapid and more complete than by any other line, and, in addition, we shall place ourselves in direct communication with seventy millions of English-speaking people by that line at a more rapid rate than we could by any other means. Thus, not only shall we be brought into more rapid communication with the whole of Europe, but into infinitely more rapid communication with the American people than by any other route. Then, there is another point which presents itself to my mind. We are continually arguing in Parliament, the papers are full of the topic, and public men on the platform continually allude to the necessity for the opening-up of fresh avenues of trade. Should we be acting wisely in helping to close one of the most important avenues of trade by closing the mail-route which connects us with a people with whom we are doing an annually increasing business ? Mr. I. MACKENZIE .- In their favour, not ours. Captain RUSSELL .- I am sorry to notice that my honourable friend the member for Waihemo has some small heresies on the subject. Asia is all served by it. And therefore, in favour of free-trade, on which he is usually so sound. A point that has been made by many, and which, of course, echoes in every Britisher's ear, is that the San Francisco for letters may seem very great, we breast, is the sentiment of loyalty to our own flag ; but it amused me to-night to listen to low according and in proportion to their members speaking as though it was no improbable thing that we may at any moment be on terms the reverse of friendly with the American people. On how many occasions when the opposite arguments have suited have we been told that they are our cousins, that blood is thicker than water, that they are our kith and kin, and therefore there is a natural alliance between us ? I do not think there is anything in the argument about armed cruisers-that we are subsidising an American flag. To my mind the Americans are subsidising a line of steamers at the rate of \$52,000 a year to carry our mails then carried. Then, with reference to the argument that by the Federal route our mails would all be carried in British-owned ships, let us bear in mind this: that by the Suez route, and via Brindisi, Naples, or Marseilles, numerous letters are carried under foreign flags ; and though they may not be included in the Federal contract to carry mails, yet numbers of letters and papers are sent by the German and French steamers from the Australian Colonies. But by the figures which are put before us, and which I should assume to be correct, it is shown that the cost of transit by San Francisco-namely, £16,034-is cheaper by about \$5,000 than by cheaper by over \$3,000 than by the Federal route -£19,417; and

therefore upon the grounds of cheapness it would appear to me that we benefit by continuing the San Francisco rather than by the other routes. But there is also this point which I think may be of importance also, and which has not yet been alluded to : that if we close our communication with San Francisco or Vancouver in favour of the Federal route we shut ourselves altogether off from one important line of mail communication without saving any money, for, whatever happens, the Federal route will remain available for us, and we shall get letters periodically via the Federal route whether we subscribe to it or not. Mr. T. MACKENZIE .- So you would by the Spreckels route. Captain RUSSELL .- I have grave doubts about that. Mr. T. MACKENZIE .- There is no doubt about it. Captain RUSSELL .- I, at any rate, have serious doubts about it. But it is absolutely certain that we shall have the Federal route ; and, when making comparisons between the sums of money which are proposed to be paid per pound of mail-matter to the Spreckels line and the sums of money to be paid as poundage in arranging for the Federal route, bear this in mind : that under the Federal contract there are probably a hundred bags of mails carried for every one carried by the San Francisco service, and that Gibraltar, Malta, Egypt, Aden, Ceylon, India, China, and Austral- though the difference between 2s. per pound by the Federal service and 7s. 6d. by San should remember that contracts are high or magnitude, and that, considering the number of miles our mails are carried and the comparative smallness of the quantity, 7s. 6d. a pound may relatively be the cheapest, or, at any rate, the less remunerative to the contractor. Then, as an illustration of the cost we may be incidentally committed to should the colony decide to join in the Federal service, I would remind honourable members of the proposals which were put forward by the Union Company

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here and Australia to connect with the Federal service. The estimate of subsidy required was \$1,000 a month - \$12,000 a year is what would be demanded for carrying mails twelve hundred miles; and surely we must realise that, if such terms are asked of us, it is well that we should enter into an arrangement for mails to come via America rather than by the Federal route. Now, there is another point also, which, I think, is worthy of attention, and which, at any rate, has occupied my own mind. New Zealand occupies, unfortunately, a most remote position in the Pacific Ocean: how best can we remedy that disadvantage? Is it wise to close the doors to important trade routes, and by every possible means limit our commerce with a country which, whether we like it or do not like it, is going to supply us with large quantities of goods? Is it our business to so isolate ourselves that we shall remain here separated commercially, as we are geographically, from the nearest country which must and will be connected with us in trade, except Australia? Are we prepared, an insignificant island in the South Pacific, by every means in our power to shut off communication with so important a continent as America, which probably in fifty years will receive an enormous part of our produce ? It seems to me it would be very shortsighted policy to do anything of the kind. I admit I do not believe the subsidising of a quick line of steamers will conduce to the carrying of freight by those steamers. But at the same time I think there is no disputing the fact that rapid mail communication does lead to trade ; and though the trade is not carried in the bottoms that carry the mail, still the trade is augmented though not created by the mail-service, and will annually increase and become very great. Now, I find that the imports from the western coast-from San Francisco, I presume, to New Zealand amount only to \$103,587, against an import trade from the eastern coast of \$958,286, or a total import trade from the United States of \$1,061,873, of which it will be noticed eight-ninths come from the Eastern States. But bear in mind that all the correspondence which is necessitated by the trade done with the Eastern States has to travel through the Western Pacific, and if the mails have to first go to England and then to America before they reach the hands of the persons we are doing business with it would be a prolongation of the time of the transit of these letters by two or three weeks. Is that desirable ? I think not. Much as I regret it, and much as I wish to see the trade of the Empire increase rather than the

trade with other countries, there is no use ignoring this fact : that the United States of America are going to be large suppliers of the Australasian markets, and, Auckland being the final port of departure of Australasia for the San Francisco mails, we ought to be very careful how we close so important an avenue of prosperity. I might say, as a matter of interest, that our export to the Western States is practically nothing Captain Russell States, again showing that subsidising a line of steamers does not mean the carriage of freight in the same bottoms. But all the figures tend to show that we are largely increasing our trade with America, £1,518,550 being the total value of trade with America during last year. Honourable members speak of the trade which they hope for by a steam line with British Columbia and Canada ; but the trade figures are absolutely so paltry and insignificant that it seems to me they are scarcely worth putting on record. And we must consider also this fact : that the trade we do with British Columbia and Canada will remain practically nil, because they are, like ourselves, a producing, not a manufacturing, country, and the articles produced in Canada are mostly those which we ourselves also export. In other words, there will be practically no trade between Canada and New Zealand, for the reason that British Columbia produces only coal, grain, timber, and gold, which we produce in considerable abundance in this country. I find in the New Zealand statistics that our total imports from British Columbia last year amounted to \$8,996, whilst from Canada -- which, I presume, means the Eastern States -- the total was \$32,169, the total import being only \$41,165. We exported to British Columbia \$8,229. and to Canada proper \$55,021. Now, it seems to me that these figures show that the trade with the United States of America is a matter of considerable importance, for, with the total imports of \$10,646,096 to this country, exactly one-tenth comes from the United States, and the returns prove it is a rapidly increasing trade. During the 11.0. last decennial period I find the imports from the United States have increased from £361,795 to the amount which I have already quoted - \$1,061,873. The exports, it is perfectly true, are remaining practically stationary, and I regret that is the case. Mr. SEDDON .- What do they amount to ? Captain RUSSELL .- They amounted last year to \$458,796; but it is no increase, for the year before they were \$433,499, and the year before that \$623,133, and ten years ago they were larger than at the present time. But still I hope and believe that, sooner or later, the import and export trade will balance itself, and that, with a large and continually increasing importation of goods from the American States. we shall not only import, but export to an approximately similar value. For these reasons I am of opinion that it is desirable we should renew our contract for the San Francisco service : on the ground. first, that it is the most rapid one; second, that it brings us into contact with the greatest number of customers and producers ; third, and that by so doing we maintain an additional mail-service. I shall therefore support the San Francisco mail route. Mr. HUTCHESON (Wellington City) .- What is the present position in regard to the proposed contract with Messrs. Spreckels Brothers ? I find in the paper F .- 6B that, so far as negotia-

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tions have proceeded, we have come to a dead-lock. The final reply from Mr. Spreckels, through Mr. Dunnet, of Auckland, is, " Offer declined." Presumably some one must climb down, otherwise all our talk has been in vain. But when I read through this correspondence I could not help being struck by the tone of authority, the tone of superior power, used towards the Government of New Zealand in a manner that does not make one feel proud of being a colonist of New Zealand. Here are the terms used by the Auckland representative of the Oceanic Steamship Company :- " I beg to state that, considering the sum offered is less than what was paid for a four-weekly service at a slower rate of speed, I cannot submit the offer to Mr. Spreckels, fearing that it would probably cause him to break off negotiations with New Zealand, and lose a service that is without question far ahead of any other in its benefit to the colony. Trusting that the Government will approach the matter in a more liberal manner,-I have, &c., " GEO.

DUNNET. " The Secretary, General Post Office, Wellington." This gentleman, who represents the San Francisco proprietary, was actually afraid to transmit the insulting offer of the Postmaster-General to his principal for fear he might wreak his dire vengeance on this unfortunate country. It is a case of American bluff-" two jacks and a razor against a full hand," and that is what it has been all along. Having arrived at this stage of the negotiations, evidently we have arrived at a point where somebody has to climb down. And I want to know who is going to climb down, Spreckels or the Government of New Zealand ? Before dealing with the proposals, I would like to devote one or two remarks to some arguments that have been made by honourable members who have preceded me. The honourable member for Hawke's Bay says this service means keeping us in touch with seventy millions of English-speaking people. Well, in the United States of America proper there are considerably more than seventy millions of people. But a more heterogeneous mixture of nationalities and races than that constituting the population of the United States cannot possibly be found in any other country in the world. And, as to their being our kith and kin, let me disillusionise the honourable member who may entertain the idea that the people of the United States are practically of the same race and blood as ourselves. In some of the Eastern States people of German origin outnumber those of British origin as two to one ; and yet we are told that they are our own kith and kin. I have lived in different parts of the United States. I have seen the people there from New Orleans to San Francisco and from New York to Baltimore; and although there are many traits in the American character that I know how to admire as well as any man alive -nobility of character, and many admirable qualities -- when it comes to a question of conflict of commercial interests the average American citizen knows no sentiment but the American almighty dollar. His whole business is based on the pure consideration of profit, and the strictest interpretation is given to all business negotiations. Whenever a question of national interest arises in the United States the whole country is aflame ; they know no nationality but the American nationality-and the very worst opponents that the British people could meet in trade-or, God forbid, in war-will be the people of the United States. True, as long as our interests run on parallel lines to those of the people of America all will be well ; but the descendants of the Pilgrim Fathers, even to the present generation, have not forgotten the days of Boston Harbour. It has been stated that unless we keep up this connection we may close the door against our trade with America. But the same honourable member who used that argument told us that eight-ninths of our trade with the United States is done with the Eastern States, and is carried round Cape Horn, largely in British bottoms chartered by American exporters, particularly in New York. Now, what class of goods do we principally get from America ? Kerosene is the bulk of the export from the United States to New Zealand. Next after that comes woodware. As long as the ash and hickory forests remain in the Eastern States so long will we deal in that line with those States. But is it necessary that we should have this mail connection in order to maintain our trade with the Eastern States ? Again I say, No. A great many importers in New Zealand have English buyers in London, who transmit their American orders to New York from London by the fast mail-steamers across the Atlantic. Now, what do we grow in New Zealand that the Pacific Coast States cannot compete with ? An Hon. MEMBER .- Wool. Mr. HUTCHESON .-- They have a protective barrier against us, and will continue it. As to wheat, why, the Columbia River District will grow more wheat than can be grown from one end of this colony to the other ; and, as to fruit, why, California can "lick us hollow " in anything that grows on bush, tree, or vine. There is nothing that we can grow in New Zealand in regard to which they cannot beat us in the United States. Kauri! Why, there are forests in Oregon that are out of all comparison with your little bushes of kauri. An Hon. MEMBER .- Kauri-gum ; they have no kauri-gum. Mr. HUTCHESON .- Kauri-gum ! Well, I believe one case went as a sample by the mail-steamer ; but the rest goes round the Horn to the Eastern States. Do you know what this San Francisco mail-service is going to do for us ? It is going to enable the Eastern States to send over their gaol-made goods and surplus manufactures that they are running out of the country at a price less than they cost to

pro- duce, in order to regulate the local market for their trusts and combines. I have seen panelled doors of American pine-probably made in the gaols of California-sold in our auction-rooms in competition against the local Sash and Door

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Company's productions. I know that the big : manufactured in a foreign country because these trusts and combines in America, when they want to hold up the price of goods in the American market, run their surplus products to the Australian Colonies at a price that enables the importers to undersell the products of the workmen of New Zealand. will now, Sir, take note of a few of the remarks of the honourable member for Auck- land City (Mr. Napier), and will endeavour to criticize one or two points of the most disin- genuous speech I ever heard made in this House. I never heard an attempt to withhold the other side of the question so carefully and skilfully executed as in the speech of that honourable gentleman. He told us that Canada had obtained a modification of the American shipping laws : and how ? By doing what this House and country ought to do: telling the State-subsidised contractor to go about his business and make other arrangements. If that were done, then there would be a proba- bility of our getting a modification of the American Navigation Act. I say that in no spirit of hostility, for if we could run the con- nection between New Zealand and San Fran- cisco equally I would subsidise the service to twice the amount provided for in this proposal. I would not begrudge £30,000 a year. Let me make the honourable gentleman understand, despite the bombastic talk of the article which he deprecated, -when he said he could not defend some of the language used,-that I think the most offensive and truculent, the most ill-considered statement that I have seen in the public prints was the telegram of the honour- able gentleman, where he advises that the people of the Auckland Province should com- bine against all party organization, should combine against all the rest of the colony, for the purpose of saving Auckland and the Em- pire ! I say that, in that, he has made one of the most hysterical screams of the last two or three weeks. And let me here say that I do not want to prevent Auckland from being made the port of call for any mail connection if it is for the good of the colony. Auckland is nearest geographically to any point the mail may come from, and, so long as that remains, so long will I offer no opposition to Auckland being made the port of call. The long and offensive articles such as have been published in the Auckland papers I decline to notice, because my mind is fixed on what is going to be for the good of the colony, and for what is consistent with the dignity of the House, without bom- bast or unnecessary stage display, which is inconsistent with the policy of a British colony. And now I want to say a word to the honourable member for Auckland City (Mr. Napier), who asked, " Why do we buy goods from a foreign country ? "- with the intention, no doubt, of proving that because we bought goods of foreign manufacture we ought to make no objection to subsidising the ships of foreign nations ! Sir, there is no analogy, and I ask the honourable gentleman, Do we propose to sub- sidise the industry of a foreign country because we buy the goods, or do we propose to buy goods Mr. Hutcheson goods can compete on their merits in the open market with goods manufactured in our own country ? Mr. NAPIER .- There is no proposal to sub- sidise this service. Mr. HUTCHESON .- Is there nothing in the I proposal to subsidise this service? Then, in the name of reason, what are we discussing ? Mr. NAPIER .- No. Mr. HUTCHESON .- The honourable gentle- man is the one honourable member in this House who declines to allow any other member to make interjections when he is talking. He goes on with his speech quite heedlessly of such interruptions ; yet he would like to argue ques- tion by question when any other member of the House is speaking. I say he made that alto- gether insufficient rejoinder, " Why do we buy our goods from a foreign country ?" Now, I will tell him why. The average Briton talks about his loyalty, and parades it about a lot ; but he generally goes and buys goods made in Germany, and takes the label off and sells it as of British manufacture. Now, he does not do it because he loves Germany, or because he is not a good Briton, but

because he can get the goods more cheaply and make better profit from their sale. If you suggested he ought to make a sacrifice and subsidise the industries of his own country to the extent of \$15,000 a year, he would probably act as members of this House do now. I would agree to pay Spreckels, as a temporary expedient, a fair price for carrying our mails—namely, 2s. per pound, as against the conditions that obtained during last year of 10s. 5d. Then, we were told again by the same honourable gentleman of the views of past statesmen in this colony. He quoted the opinion of Sir Julius Vogel, who unequivocally approved of the San Francisco mail-service. Mr. FISHER .- After a visit by Spreckels to his private Ministerial residence. Mr. HUTCHESON .- That may be so. What I told this House in 1899 did not strike home to the sense of the House until the "Moana" was stuck up in Honolulu. In 1899 I told the House this :- "Any man who has been in the United States knows that it is the one country of all the world that is most protective and conservative in its shipping laws. Anybody who has been in America knows that any other than an American bottom cannot carry an ounce of cargo from one port to another. They make you dump it out at the first port you come to, so that their own ships can carry it along the seaboard of that country. They understand how to keep their trade to themselves better than we magnanimous Britishers do. It is with them 'Our ain fish-guts for our ain sea-maws,' while we Britishers allow the whole world to come in and partake of our good things." And then, when the "Moana" was stuck up at Honolulu as an American port, and refused the right to pick up passengers from Honolulu and carry them on to San Francisco, it began to dawn on the colony there was something wrong

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saw what actually happened. Now, I want to say this about the views the honourable gentleman quoted. Whatever influences may have been at work then, the conditions that obtained at the time he spoke of are different from the conditions that obtain now. Mr. FISHER .- Spreckels stayed for several days at his house. Mr. HUTCHESON .- Well, that may be ; but I take a broader ground, and say that the conditions that obtained then do not obtain at present. There is no doubt we are subsidising a foreign company, whose interests may clash with ours in the near future, and we are doing that to the detriment of our own country and our own ships. Mr. WITHEFORD .- America is not a foreign country. Mr. HUTCHESON .- No? America is not a foreign country? The sapient gentleman who represents Auckland in his own peculiar way tells us that America is a big English colony. And just because there is so much of English in it is the very reason why that community, in its national pride, is so sensitive—that it is so quick to resent any interference with the management of its affairs. At any rate, while I would like to work in the utmost harmony with America, and make the connecting-link with America by the shortest route, which without doubt is from Auckland to San Francisco, I want to do it in a way that will maintain the self-respect of this colony and in the true spirit of reciprocity, so that there will be some give-and-take, and not all give, in our policy. I do not want the colony to go, as it were, with bowed head and in a spirit of humility to any American contractor to beg of him to accept what money he may choose to name on his own particular terms. I want to maintain the self-respect of the colony, and, if possible, bring about a sort of reciprocity between the two countries, so that we may have ship and ship running with them and sharing the subsidy—our own vessels in company with those flying the American flag. We were told that if we would make terms for three years, on terms satisfactory to Mr. Spreckels, then all this would be done. Well, it is a very fine promise, but we do not believe in doing things that way. We want to have the terms made beforehand, and the one impelling motive that would cause the Messrs. Spreckels to exercise any influence they may have with the Parliament of their country would be the refusal to pay a single penny of subsidy until such was done. That is the only thing that will bring this huge "bluff" to a proper outcome for the colony. We are told that this connection is principally in the interests of the import and export trade of the colony. Now, what do those who are most competent to judge say regarding this trade? The

Wellington Chamber of Commerce says :- " Wellington Chamber of Commerce, Wellington, 30th October, 1900. " SIR,-The Council of this Chamber desires to again urge upon the Government the de- VOL. CXIX .- 83. ing lines of steamers to provide for a fortnightly service to Sydney, so timed as to connect with the mails leaving that port via Brindisi for the United Kingdom. "Such a service would have the recommenda- tion that it would be carried entirely under the British flag, and that the subsidy would go to the encouragement of a colonial industry. It would, moreover, meet the requirements of the greater part of the colony much better than the proposed new San Francisco service, which has been arranged primarily with a view to American interests, and under a time-table highly inconvenient to New Zealand .- I have, &c., "S. CARROLL, Secretary. "The Hon. the Postmaster-General, Wellington." Now, in case it might be said that the Welling- ton Chamber of Commerce is biased as against Auckland, let me say that such a conclusion is simply the outcome of the diseased imagina- tion of the people of Auckland who hold such a belief. There is absolutely no feeling of active hostility between the two cities. For ourselves we have not the time to bother about it. We have so much shipping and trade here-the Tyser line, the New Zealand Shipping Com- pany, the British India line, the Union Steam- ship Company, and the Shaw, Savill, and Albion Company-that we have no time to fool round with the twopenny half-penny monthly boat coming from America, and we do not want it, and we have said so scores and scores of times. But this is what the Christchurch Chamber of Commerce says,- " Canterbury Chamber of Commerce, Christchurch, 19th November, 1900. "SIR, -The advisability of arrangements being made by the Government with the present lines of steamers to run a fortnightly service connecting with the Brindisi mail leaving Sydney having been brought under the notice of this Chamber, this committee would strongly support the action of the Wellington Chamber in the above direction, as a regular fortnightly service would be considered a boon by business people. "Trusting that this matter will have your favourable consideration,-I have, &c., "H. ANTILL ADLEY, Secretary. "The Hon. the Postmaster-General, Wellington." Here is still further evidence from the Con- ference of New Zealand Chambers of Commerce held in Christchurch :- "That, in the opinion of this Conference of Chambers of Commerce of New Zealand, it is desirable, - (1) That improved and extended postal facilities be provided between this colony and Europe and America; (2) that in all postal contracts preference be given to ser- vices carried on under the British flag ; (3) that with this view the Government be urged to endeavour to arrange for (a) a monthly mail- service between New Zealand and Vancouver, and (b) a weekly mail-service between New Zealand and Australia, timed to catch the

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Europe via Brindisi." On this question of the Vancouver service, the honourable member for Auckland City (Mr. Napier) told us it was not an all-red service- only that part of it between Auckland or New Zealand and Vancouver was all-red ; that it was carried over American lines and thence by American steamers. I join issue with him there, and I know Canada fairly well. I want to call his attention to the fact that the Canadian Government have finally decided to make Sydney, in Nova Scotia, the point of con- nection for a rapid trans-Atlantic mail-service for more improved steamers than we can hope to have in the Pacific for years to come ; so that when the mails are taken on at Vancouver they will be conveyed over Canadian lines and be carried by Canadian mail-steamers, and we may expect in a very short time to have a service which will compete favourably with the Frisco route. Do we want a rapid mail-ser- vice? No; we want a regular and a frequent one. We want also a reduction of the cable rates. Because the fact of shipping our mails by Frisco does not expedite the goods one hour ; they must come by the cargo steamers direct from Home, and it is only the time gained on the outward trade that is of any advantage to the trader. Any trader who urgently requires goods to be sent out at once never dreams of writing; he telegraphs ; he pays the cable rate. And the exorbitant rate of 5s. a word is really the cause of the

grievance the traders of New Zealand have against the Government. Why do the Government not take steps to reduce by half the cable rate? Provided a mail goes weekly, and there is a reasonable time between mails to look up stock and prepare mail-lists for goods before the sending of the order, it would be a matter of indifference to merchants in New Zealand if the mail occupied forty days or thirty days. A matter of even five or ten days is a matter of minor importance to the commercial man in New Zealand, provided his mails are regular and frequent. What is really wanted is reasonable cable charges. First, I would suggest this : the honourable gentleman ought to continue the negotiations with the Federal Postmaster-General to secure our inclusion in the Federal mail contract on a population basis, and make arrangements with the Union Company or some other line to run at dates suitable for connection with the Federal mail, and so give us a regular fortnightly mail of something like thirty-seven or thirty-eight days. That, for the trading community of New Zealand, is all that is required for the present ; and in the immediate future, perhaps contemporaneously with the ending of the present contract with Queensland, there will be such conditions in Canada as will practically revolutionise the Canadian route, and give us in reality an all-red British mail, offering all the advantages that the present San Francisco mail does at the present time, and put us on equal terms with the Spreckels Brothers, and so that we can maintain our dignity and be a high contracting Mr. Hutcheson pliant, dependent upon the good graces of a foreign Government, and, at the same time, paying sweetly for the privilege of getting what we ought to demand as a right on equal terms. I am sorry the time is so short, because I have scarcely touched the fringe of the argument I could adduce why we should in every way stand on our dignity at this juncture, and say to Spreckels Brothers, or any other company, "Unless we can make terms with you on an equal footing as high contracting parties we decline to treat, and we are now going to make our own arrangements elsewhere." Mr. McGOWAN (Minister of Mines) .- I may say at once this is an awkward question, and I do not wish to make it appear in any other light ; at the same time it is a matter of great importance to the whole colony. I had made up my mind not to speak on the question, and would not have done so had it not been for the injudicious and, to my mind, insulting articles that have appeared in some of the papers instructing the Auckland members and myself how we should act. Before seeing those newspapers and telegrams referring to this particular service, I had, as I have already stated, made up my mind not to say one word on the subject. I have nothing to thank the newspapers for personally, and I object to being instructed by newspapers as to how I shall act on any question that comes before the House. If I am not capable of forming an opinion for myself, that is a matter for my constituents, and not for the Auckland City or the Auckland provincial newspapers. It is a matter for the colony as a whole, and it is only right that I should do what I consider best for all concerned with reference to a service of this kind, and I believe I have arrived at the right conclusion. Now, I have listened to the whole of the speeches upon this subject, and I may say many of them have been somewhat wide of the mark. The speech made by the honourable member for Hawke's Bay was one of the most reasonable and sensible speeches we have heard in this House during the debate. The whole of the arguments from those who are opposed to the service and those who are in its favour, and from those who perhaps have too high an opinion of it, lead to one conclusion only- namely, that it is the best service the colony has I believe it is indisputable that it is ever had. the best mail-service New Zealand has ever had. It is the cheapest, the quickest, the shortest, and the most regular. Now, taking all these things into consideration I think it is reasonable that the colony should endeavour to maintain that service. An Hon. MEMBER .- Why ? Mr. McGOWAN .- Because it is the quickest, the cheapest, and most advantageous. These are the conditions that any community would consider in regard to a mail-service, and no one who has spoken to-night has proved that these conditions do not exist. Comparison has been made of the different routes, and this San Francisco route has held its position in that comparison. Now I want to say just one or

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friend the member for Wellington City (Mr. Hutcheson) has said. He wants to meet Mr. Spreckels on equal terms. It is a splendid sentiment that, and one I agree with ; but if he wants to meet Mr. Spreckels on equal terms in this contract he requires to produce £50,000. He would then be on equal terms with America. If he is prepared to pay \$50,000, a sum equal to that which the Senate pays, he could be on equal terms as far as that service is concerned. Mr. FISHER .- The American Government does not contribute to that service. Mr. McGOWAN .- They contribute to the line of boats. It is not for the mail-service at all, but for the trade, and I say we would be on equal terms if we should offer a contribution of a similar amount. We are not in a position to do that, and it would not be worth it if we were. I am not going to overrate this service, but I want it to be considered on a fair footing. Now, the only sound argument used against this mail-service. and it has some weight and I am quite prepared to allow it all the weight it is entitled to-is the American Shipping Law. Every one who is a British subject in a case of this kind, I think, naturally feels displeased at any such law, and if he had the means of altering that law, so that that condition would be taken away, he would do so. There is a great deal in that. Our seamen and ships should not be debarred from trading with the coast of America ; but I would like to know whether the very gentlemen who make use of this argument are not themselves standing in American-made shoes? If you go through this country, what do you find ? Reapers-and-binders and the whole of the farm implements are American-made goods. An Hon. MEMBER. - Plenty of them are Canadian. Mr. McGOWAN. - Some are Canadian, of course ; but there is comparatively little trade from Canada, and the goods you are using now are probably all American-made. I have no particular leaning towards Mr. Spreckels, but, at the same time, the service, in my opinion, is a useful service, and one that it will pay the colony to maintain ; and we should endeavour to keep that service at as cheap a rate as we possibly can. Auckland has come in for one or two very severe rubs. The honourable member for Wellington City (Mr. Fisher) referred to this particular City of Auckland, and said that it had comparatively little trade, while in the Port of Wellington there were to be seen five or six steamers larger than any of the boats that visited Auckland. Take the tonnage of Auckland, and where is Wellington? Take the Customs of Auckland, and where is Wellington? I do not say this with a view to belittle Wellington. Every one is proud to see the shipping that is going on here. But, at the same time, while you may be proud of the shipping that is going on in Wellington, it is no reason why an attempt should be made to belittle another city which is progressing and has been progressing during the last ten or fifteen years at a very rapid rate. If Auckland in the way of opening up roads and bridges throughout the back-blocks, it would progress still further, and it will yet be the richest city in the whole of New Zealand. There is no doubt about that, because it possesses a fine climate, and much of its land is good ; it has also an enterprising people, and, having these qualities, it is bound to go ahead. Now, Sir, I had no intention of saying one word on this subject. only I could not help putting the matter in what I believe to be the right light. We are not in a position to go where we like. We have the right, of course, to decline making any agreement with Mr. Spreckels to carry our mails ; but I think the proposals made by the Postmaster-General ought to meet with the approval of the greater number of the members of this House, because they are reasonable. It is a service that the colony has maintained for a great number of years. It is the most useful and regular service, and the best service we have ever had In regard to this matter I would also like your ruling, Sir, upon this point, as I think it was mentioned before: I notice that in 1897 similar proposals were brought up in the House, and, if the system then adopted is carried out now, it will be the means of saving a lengthy discussion in Committee. I would just like to read this :- " Mr. SEDDON .- I move that this House do resolve itself into a Committee of the Whole to consider certain proposals relative to the San Francisco mail - service and the Vancouver mail-service. I propose, Sir, to take on this motion the debate on the proposals. "Mr. SPEAKER. - The usual course where the matter involves the expenditure of money is that

the debate should take place in Committee; but if the House prefers to take a debate while I am in the chair, of course I am in the hands of the House. "Mr. G. HUTCHISON. - But although we may take the debate now, we may afterwards consider the matter in Committee of the Whole. "Mr. SPEAKER .- The debate that may take place in the House will in no way restrict discussion in Committee. " Mr. SEDDON .- There is only this difference : that what is said now will be reported, and what is said in Committee will not be re-ported. That is the only difference. There was no lengthy discussion in Committee, and that is proved by the record, because the divisions only were reported. If this practice is adopted now, I think we shall be able to come to a decision on these proposals without much loss of time. I merely wanted to draw the attention of Mr. Speaker to this fact, as I think some members are under the impression that, this being a question involving money, the speeches in Committee will be reported in Hansard. The position is as I have laid down here. Mr. DEPUTY-SPEAKER .. I have ruled on that point, and cannot go back on that ruling. I should mislead honourable members if I did.

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question before the House is not a new one, and, if it presents any different aspect to that which it wore twelve months ago, I take it that the reason for that difference is very largely due to the action of one or two Auckland members themselves, and perhaps in some way due to the action of certain officials in the City of Auckland. Now, Sir, I regret that any prejudice should have been imported into this question on account of the way in which the matter has been handled by members of the House, and even persons outside the House. I would, however, briefly point out how unduly the importance of this question has been magnified, so far as Auckland City is concerned ; and assuredly some of the members for Auckland, or, at any rate, some of the people of Auckland City, can scarcely realise that they, to a very large extent, are disparaging that city when they by their language and by their writing lead the country to suppose that the very existence of that city depends upon Mr. Spreckels. would like to know who is Spreckels. It is assuredly a new thing that the question of the trade of a city depends on a particular arrangement with this firm. Auckland existed as a city before we knew of the name of Spreckels, and the probability is that it will continue to live as a city long after the name of Spreckels is forgotten. But, as I said before, Who is Spreckels? The member for Auckland City (Mr. Napier) has used very exaggerated language. In referring to this matter in a communication to the Mayor of Auckland, he said that he was glad to see that Aucklanders were united to prevent this injury to the Empire and to the colony. Injury to the Empire ! Injury to the colony ! Sir, it is understood throughout the colony that some opposition was to be shown to the renewal of this contract, and the Auckland people-so we are led to understand-are now united. The Auckland people are now awakened, and the " mailed fist " is to come down, and why ? Because the safety of Auckland City, the safety of the colony, the existence of the Empire, is threatened by the remote probability of the arrangement with Mr. Spreckels being interfered with. I say the " remote probability," because it is generally understood that they will not be interfered with. It is generally understood that the arrangement has been made, and that the arrangement will be continued, and that the Frisco service will exist as it has done hitherto. As an honourable member has said, we have practically passed the motion for this service by passing the vote on the estimates. But as the honourable member for Auckland City to whom I have referred - besides, I think it an altogether improper insinuation that the safety of the Empire lies in the hands of Mr. Spreckels : I beg emphatically to deny that statement-the honourable gentleman said that all Governments appreciate the "conciliatory power of the mailed fist of a united people." The Aucklanders are at last a united people, and it is a united people which resents the suggested member says, " For thirty years our province has been plundered, and if it is necessary to prevent further humiliation, we must allow party politics to slumber for a period and fight as one man "-the honourable member should have said " as one mailed fist "- for our rights." Now, this can scarcely be pleasant

reading to the Aucklanders. For thirty years their province has been plundered ; but the plundering of the province for thirty years is nothing compared with this humiliation-the humiliation of Parliament questioning an arrangement with Messrs. Spreckels. Sir, it is astonishing what it takes to bring some people to recognise the fate in store for them-the danger which lies ahead, and the disaster which may befall them. Auckland is threatened with the direst of all disasters, and the people of Auckland are fast awakening to the necessity of a solid combination representing a united front, all combining their fists in one, and mailing that fist to prevent this disaster. But there is a covert threat in this, and, Sir, I would just read these words : "We must allow party politics to slumber for a period and fight as one man for our rights." "We must allow party politics to slumber for a period." We-that is, the member for Auckland City-must allow party politics to slumber. Sir, this is a covert threat. It is practically a threat that unless the Messrs. Spreckels are considered, the Liberal party in this House is to lose the wondrous and useful services of at least one of the local trinity. If it be true that the Liberal party is to lose the services of the gentleman with the mailed fist, then, so far as we are concerned, the mailed fist will become a severed hand. Sir, I should regret exceedingly that we should lose the distinguished services of that gentleman. But I do not think we shall. It is one of those covert threats with which we are becoming somewhat used during the session. There is no doubt that it has been due to indiscreet threats of this kind, and telegrams of this kind, that Auckland has largely to thank for at least some of the opposition which has been manifested towards this service. It has allowed the impression to get abroad that the Auckland members are coercing Parliament and every other portion of New Zealand. An Hon. MEMBER .- NO. Mr. COLLINS .- I know they could not coerce my honourable friend. I know that he is " sound upon the goose " so far as this question is concerned ; but there is no doubt about it that impression did get abroad-that the whole of the Auckland people were up in arms, and that the northern part of the Island of New Zealand was almost ready to declare itself in open revolution unless the arrangement was made with Messrs. Spreckels. Well, now, Sir. I say the question wears a somewhat different aspect from what it wore when it was under discussion last year, and that is very largely the result of the injudicious action of one of the Auckland City members. Now, let me go back to the discussion of last year. When the matter was brought before the House at that

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proposals was brought before the House. An amendment was then moved to the proposals; to which I myself moved another amendment. The amendment I proposed last year was this : "That this House recommends the Government to open negotiations with the Governments of Australia, Canada, and Great Britain, with the view of establishing an all - British mail-service to England via Vancouver." That amendment was objected to by the Hon. the Postmaster-General, and he interjected whilst I was speaking, "I am prepared to negotiate," and when he came to reply he said, "I wish to say that the Government is quite willing to open up negotiations to see whether a service can be established which will be a more suitable service to this colony." I take it from that that the honourable gentleman could see it might be possible to establish a more suitable service. Twelve months have elapsed since, and I am going to ask the honourable gentleman now what negotiations have been opened up. I want to ask what inquiries have been made, and what further information there is to submit to this House. Sir J. G. WARD .- Why do you not read the letters ? Mr. COLLINS .- I have read the letters, but I say there is no new information conveyed in these letters. I am quite willing to admit that we have the very best Postmaster-General we could have ; I am willing to admit that, so far as the general postal arrangements of the colony are concerned, we have, perhaps, as fine a service as could be found in any part of the British dominions ; but I do not see that I am bound to accept every arrangement the honourable gentleman who is head of the department likes to make; and I say we have not the information which

ought to have been at our command in dealing with this matter ; and it must appear to every member of the House as though there was an underlying determination that, whatever Parliament might think or feel, this arrangement should continue with Messrs. Spreckels. I contend that we ought to have had much more information at our command. Now, Sir, the Minister of Mines said this was an Auckland question. Sir, I deny that it is an Auckland question ; it is a New Zealand question. Aucklanders have no right to speak as though this was essentially an Auckland question. Mr. NAPIER .- They do not do so. Mr. COLLINS .- I beg your pardon. If I may, I would, through you, Sir, inform the honourable gentleman that he, more than any other honourable member, is responsible for the idea that this is regarded peculiarly as an Auckland question. He has led the people to believe that the very existence of Auckland depends on the San Francisco mail-service. Through the injudicious writings and utterances of the honourable gentleman the idea has gone abroad, and he must take the responsibility for that impression. I was particularly pleased with the speech with which the honourable gentleman favoured the House a few moments ago. It was a moderate, careful, and he has spoken, and written, and telegraphed on this subject before he delivered that speech was not on the same reasonable lines. Now, the Minister of Mines expressed the pleasure with which he listened to the speech of the honourable member for Hawke's Bay. The honourable member for Hawke's Bay always makes a good and a pleasant speech, whatever view he may take. But the honourable gentleman said he regarded it as the best speech that had been delivered yet on this question. Well, Sir, how sweetly reasonable we always think those words are with which we agree. I can imagine that had the speech been equally good, logical, and brilliant on the other side, how scathing the terms of denunciation would have been that the Minister of Mines would have used with regard to the member for Hawke's Bay. But he said the only argument which had weight-and he admitted it was an argument which had weight- was the argument with reference to the American shipping laws, under which our ships were debarred from trading between American ports. Sir, I admit the strength and the validity of that argument, but I deny emphatically that that is the only argument that can be used against the proposals, and I shall try to adduce some arguments which I think have equal force. It has been said, and said over and over again, that we derive a great advantage from having the quickest possible service for our mails, and that we get our mails quicker by the San Francisco service than we could get them by any other route. Now, it is quite true that this route is the quickest route, and that we do get our mails a little quicker than we could get them by any other route. But what I want to deny is this: that this is an advantage which completely and overwhelmingly outweighs other disadvantages. I deny that there are no disadvantages which more than outweigh the advantages of getting our mails in a little quicker time. I am inclined to agree with those members who suggest that, so far as the commercial world is concerned, our biggest business transactions are done by telegraph. There is no doubt about that. . What I want to point out is this : that there are no petitions to this House from commercial New Zealand to maintain this route. As a matter of fact, nearly all those who represent the great commercial interests of the country have voiced their opinions against maintaining this route. I say it is not to our interest, as outweighing all other interests, that this particular service should be maintained. Sir, it is said-and I can understand how the words must have appealed with considerable force to some members-that this route brings us into touch with a great nation-a people, as the member for Auckland City said, who speak our own language, who are almost our own kith and kin, who have laws similar to our own, and who are like us in their modes of thought. Now, that is putting it in rather an exaggerated manner, but still there is something in it. However, what I want to point out is this : that the advantage

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side which reaps the advantage is not ourselves ; and, although I hope I am not altogether selfish, I say

that in a matter of this kind we are bound to consider our own interests before those of the American people, even although their laws are similar to ours, even although they do speak a similar language, and even though their modes of thought, political and religious, are something akin to our own. But, sir, I wish to point out that every word the honourable gentleman said would also apply to Canada, for its language, its laws, and its religious thought are as near akin to our own as are those of the United States ; and, as far as ties of blood are concerned, I think the ties between ourselves and Canada are closer than those between ourselves and the United States. So that the arguments of the honourable gentleman would have applied with stronger force to the Vancouver route than to the San Francisco route. However, I was referring to the argument that the San Francisco route brings us into touch with seventy millions of people, and the advantages of coming into touch with seventy millions of people should be at once apparent-self-evident. What avenues for new trade ! What marvellous chances for developing our commercial and industrial interests! Well, all I can say is that figures are not particularly encouraging. The table I hold in my hand at the present time has already been referred to to-night, and the House I am sure will pardon me if I again trespass on its patience by quoting from the statement. I would ask members to note the trade, so far, of this particular service. What do we find ? In the year 1891 the carriage of cargo from San Francisco to Auckland was 1,069 tons, and in 1900 it had gone up to 5,141 tons-a remarkable increase. But, Sir, such increase as it is is an increase of cargo from San Francisco to Auckland. Now, mark : from New Zealand to San Francisco, 601 tons in 1891, and 1,395 tons in 1900. While our exports to America have doubled, in the same period their imports to us have increased five-fold, or, in other words, we are subsidising this service to enable America to exploit our markets, our trade, and our industries. It has been said, and said with a great deal of truth, that these goods largely consist of cheap prison-made goods, made in America. I do not wish to dwell on that ; but, at any rate, we know that a very considerable quantity of the goods brought here are goods which come into keen and immediate competition with some of our own manufactures. Mr. MASSEY .- What are they ? Mr. COLLINS .- I am not going to be led off the track by the honourable gentleman, although it would be easy to enumerate the articles. We are not finding new markets, or new avenues of trade. They are finding the new markets, and the new avenues of trade and commerce. It is our markets that are being exploited, and not those of the people whose vessels we are subsidising. Then, again, it has been said this route offers wondrous facilities to the tourist, Mr. Collins Spreckels because of the tourist traffic. Let us look again at the figures. In 1891 supposing they were all tourists, which they were not 298 passengers came to New Zealand ; in 1900, 319 came. Supposing they were all tourists, it does not appear as though even with all the seventy millions of people-with all the inducement of subsidising this route ; all our generosity being known to them -it does not appear to be a great increase in the number of tourists to the colony. Then, passengers from the colony in 1891 were 453; in 1900, 533. I say the figures fully demonstrate that, so far as this service in- creasing the tourist traffic is concerned, it has done absolutely nothing of the kind ; the tourists who come to New Zealand will come whether you subsidise this service or not. But the figures are amply sufficient to show that New Zealand is gaining no particular advantage, so far as the tourist traffic is concerned, by the subsidy to this service. I have spoken on the question of the advantage to Auckland of the service. But there is another point. What is the advantage to Auckland ? Personally, I fail to see what the advantage to Auckland can be. The fact that the vessels happen to call there can be no great advantage to the city; if it be a fact that some slight purchases are made by the passengers-who merely pass through, they do not stay there-or some small quantity of vegetables or fruit is bought for the vessels, thereby encouraging the Chinamen gardeners who trade in the city, that is taking a very low estimate of the advantages which accrue to Auckland. But, if not, what are the advantages ? So far, those who represent the City of Auckland have not informed us what are the material advantages to Auckland. Mr. FOWLDS .--- It is for the advantage of the whole of the colony. Mr. COLLINS .-- I am glad

the honourable gentleman has informed us that the only advantage is to the colony as a whole, and that some parts of New Zealand get their letters a little quicker than they would do by another route. But even when you come to that, it is a disadvantage to have your port of call at the extreme end of the colony. In every respect Wellington is the best port of distribution for everything, and that being so, it should be so for correspondence. This appears to me to be a reasonable thing. It appears to me to be a reasonable thing that the mails should come direct to Wellington, from which point they can be more quickly distributed to the other parts of the colony. Here, it appears, there is a little selfishness on the part of Auckland in endeavouring to prevent the mail coming to Wellington, from which the southern part of the colony could receive their letters in much less time than from Auckland—certainly as far as distribution is concerned. All the southern cities would get their mails much quicker as far as the actual distribution within the colony is concerned. I am speaking of the distribution within the colony. But, Sir, the few moments or the few hours that are to be gained by this particular route—and I am will—

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sooner by this than by any other route—I deny that the little time gained outweighs all other considerations; and honourable members will have to use very strong arguments to prove to me that it does. I do not think I am prejudiced in this matter. I have no wish to add to what has already been said with regard to the desirability or the propriety of establishing an all-red line; I have no desire whatever to deal with this question from a sentimental standpoint, because I regard it purely from a business standpoint, and from the standpoint of general interest. It does appear to me that if we want to find new markets and open up new avenues for our trade, when we are subsidising bottoms to carry produce to other markets, should not this be made an opportunity for carrying both our produce and our letters at the same time? Cannot something be done in this direction? Captain RUSSELL.—No. Mr. COLLINS.—It may be that it cannot, but up to the present we have had no proof that it cannot. We have simply the assertion that it cannot, and assertion is not argument. I am not saying that it can; but, when we asked last year that information should be obtained, when we were promised last year that inquiries would be made from the Australian Governments, from the Canadian Government, and from South Africa as to the possibilities in this direction, it appeared to me that there was no reason why our letters could not be carried by subsidised boats via South Africa, and then we might have a service almost as quick, if not equally as quick, as the San Francisco service; and then, at any rate, while our letters were carried, we might find avenues for our own produce, instead of finding avenues for American products and manufactures; and that is the chief point I wish to make. Sir, I have no desire to detain the House longer. There are other matters to which I should have liked to address myself, and to which I shall probably refer when these resolutions are in Committee; but I do think in discussing this question members should not lose sight of the great advantages which are accruing to America from the maintenance of this route, and from our subsidising this route, while we ourselves are reaping no corresponding advantage so far as trade and commerce are concerned, and that should be something even to the City of Auckland. Mr. T. MACKENZIE (Waibemo).—Sir, this question. I think, requires very careful consideration, and it is my intention to go into these matters, not from any antagonistic position as against America, but rather from our own New Zealand point of view. There are one or two points which the honourable gentleman who has just sat down was a little incorrect in dealing with. One—as the question of distribution of mails. I do not think that the distribution would be any quicker from Wellington than if a steamer came down the coast—nial distribution. Mr. T. MACKENZIE.—The steamer coming down from Honolulu would skirt the coast all the way from Auckland. And I do not think there would be much advantage, in coming But I direct to Wellington, in distribution. think there was a good deal in what the honourable gentleman said in regard to the possibilities of a Direct service. We have concluded erroneously that it is impossible to

establish a Direct mail-service, because the Shaw- Savill and New Zealand Shipping Company's mode of conducting the work was unprofitable, and the reason that it was unprofitable was because they had the wrong class of steamers on the route. A great number of the New Zealand Shipping Company's steamers were wrongly constructed from the first, and had no adequate carrying capacity; and the cost of travelling and cargo in these boats was out of all proportion to what it ought to have been, and for carrying cargoes they ought to have been constructed differently. I think it is quite possible to have a Direct service, and if more modernised boats were constructed the service could be carried out in under forty days. I think what we should consider in connection with the service is not only the matter of speed, but we should also consider it from a trade point of view - the regular conveyance of our most delicate produce to market ; and I do not encourage the idea or remarks that have been made regarding any antagonistic national stand that we should make against America. I wish to approach the matter as a purely commercial one. As long as we continue on the present lines America is not likely to extend any trade concessions to us, and I believe that if the whole of Australasia were to withdraw from subsidising these boats the American Government would then realise that something must be done, but as long as we continue to subsidise the line the American people will say, "Why should we bother? They are taking the mails and subsidising us to carry on trade, and it is time enough for us to alter our trade relations with Australasia when they are showing they are conscious they will not be fooled any longer." America has already extended trade concessions to Canada and the Argentine that she is not extending to us, and I venture to say that if we object to this subsidy now and endeavour to get the whole of Australasia to do that we may get some trade concession with America. And that is the basis from which I propose to approach the question. Speaking of the matter of speed, I concede at once that the Frisco service is the speedier; but the time has arrived now when the matter of speed is not the only essential-trade considerations should have great weight as well. It has been mentioned by honourable members that what is of great importance is the cheapening of the cable rates. All trade now is carried on by cable messages. The Postmaster - General, a few minutes ago, was asked why he did not reduce the cable rates. The Postmaster-General is . doing the very best he can in that direction,

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to Australasia is commendable in the very highest degree, and when that is established I venture to think that these cable rates will come down. We have been labouring under what might be called a "cursed monopoly " in the Cable Company. So much has that been the case that the Eastern Cable Company has extracted enormous profits from all those using its cables, and has been enabled to construct no less than two million pounds' worth of cables from profits alone. I think we should devote ourselves, as the Post-master-General has done, in connection with cable negotiations to reducing the cost of these cables. The question, then, of a fast mail- service will not be so important. We know that our goods are conveyed by slow-going steamers. It is not as if we were using steamers that do the distance in forty-five days, but quite a number of these cargo steamers take as long as sixty days to do the journey, and a great number of the papers required in connection with the mail-service are papers connected with cargoes. I know, of course, that placing orders is a material thing ; but if you can get a reliable fortnightly service to deliver your mails when you expect them, you can do what you require in connection with the execution of business fairly satisfactorily. This is a question I had considerable experience with during the three years I was in the Home-country, where I had to carry out, as members may be aware, great trade operations with leading companies in this colony. If you get your mails really regularly on the date expected it does not matter much for a few days either way. Now, we had the honourable member for Auckland City (Mr. Napier) making a statement that, I think, is not quite correct. He said, with the exception of the portion of the journey over the Pacific, that then the mails were conveyed by American

railways, and then by fast American steamers. Now, surely the honourable gentleman must know that the Vancouver service, if it was subsidised and established, does not send its mail by fast American steamers. Now and again they use a fast American steamer; but the honourable gentleman must know that the leading shipping lines connecting with America are British, and that in very many instances the mails go in these British-owned vessels. Then, we have the honourable gentleman giving us a table of the time which it took to deliver the mails by the Federal and other services. Now, what we want to do in that connection is to improve our steam service with Melbourne and Sydney, and then you would have the mails delivered in something on the following lines :- "Comparison of these tables will show that the Frisco mail could be delivered at Auckland in thirty days on an average, Wellington thirty- two days, Christchurch and Dunedin thirty- three days for a three-weekly service. On the other hand, a weekly Federal service, with Wellington as the local terminus, could be delivered at Wellington in thirty-eight days, Auckland forty days, Christchurch thirty-nine days, Dunedin thirty-nine days. An improved Mr. T. Mackenzie New Zealand Shipping Company and Shaw- Savill Company, running the same speed as the P. and O. and Orient liners, would average on both the outward and inward voyages thirty- five days." Now, that alludes to a Direct service on speedy lines like the Orient, which I do not think, of course, we could at present afford; but if we improve the connection between here and Australia we could have a shorter period of delivery than that mentioned by the honourable member for Auckland City (Mr. Napier), and, of course, he must know that is so. Our present connection is not on the best time, and if these lines were improved I think we could then have, as I have indicated, a speedier service. Then, the honourable gentleman referred to our trade with America, and he said there was over a million and a half of trade between this country and America, the increase being all in favour of America, and, of course, this is quite correct. Let us analyse this trade, and see how it will work out. We find that our import trade from America in 1900 was: on the east coast, £959,000 ; and on the west coast, £103,000 : total, £1,062,000-that was what we imported from the east and west coast of America. Our exports to the east coast amounted to £424,000, and to the west coast £34,000; so that really there is very little trade with the west coast of America at all. The great bulk is with the east coast, and of that \$424,000 no less than £378,000 represented kauri-gum. Now, kauri-gum cannot be obtained in any other country but New Zealand, and it was no compliment to us for the Americans to take our kauri-gum. It gives the American varnish manufacturers an advantage they would not otherwise possess if they did not get it from us. And I say it would be a very great advantage if the British manufacturers got the whole of the kauri-gum, because that would give them a superiority in the manufacture of varnish. I merely point out that what they take from us they cannot get from any other country in the world. Let us examine how our trade with America stands. Every year America is increasing her exports to us and every year is buying less in return. Ten years ago our imports from America were \$361,000; last year, \$1,062,000. Ten years ago America took from us \$583,000 worth of goods; last year she took only £456,000. Yet the Auckland members would have you believe that our trade was steadily "increasing." Then, let us take the trade we are doing with the west coast of America, which the advocates of the Frisco service would have us believe is in a healthy and progressive state, and which they would persuade this House would be dreadfully crippled were we to discontinue the subsidy to the Frisco service. Why, it is decaying now ; it could not possibly be worse. Take the past three years : in 1898 the exports to the American west coast were \$286,000; in 1899, £45,885 ; and in 1900, only £33,560. In 1898-and this is rather an interesting point, because the member for Auckland City (Mr.

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Fowlds), in giving his figures as to the trade alluded to it-in 1898 the trade we took from them amounted to £623,000, and what we took from them amounted to £800,000. And in that connection the honourable

member said that it showed a reasonable profit on the part of the New Zealand merchants. I think the honourable member in his political economy was rather astray. If it were so, as stated by him, how peculiar must last year's operations look with America, because last year's operations amounted to over a million which we took from them, whereas ours did not come to a third of that in return. Surely it cannot be said that we made 70 per cent. profit on the transactions on our goods which we sent to America. I think the honourable gentleman was really wrong in that view of the situation. The Americans take gold from us for the difference. I come now to a very important point, and it shows the way in which foreign trade is creeping into our imports in this country. In 1891 our total imports came to £6,500,000, of which only \$500,000 odd came from foreign countries. In 1900 our imports were £10,646,000, and over a million and a half of that came from foreign countries, so that our imports, from what our Premier calls "the dear old Mother-land," are not increasing proportionately, whilst our imports from foreign countries are increasing altogether out of proportion. And this is a very important factor in considering the trade of our colony. You are displacing with American goods the manufactured articles of our Home-country, and taking the gold we get from our goods in England to pay for the American goods, while America will take comparatively nothing from us. I wish now to refer to what the honourable member for Hawke's Bay stated in this connection. He said that it did not so much signify the country from which we got our goods so long as we get our goods cheaper from one country than another; we should take them from the cheapest. I would agree with him if he had added to that expression the word "quality" as well. But what is our position with regard to our trade with America? First of all, we are displacing the goods of the British manufacturer. Take the article of fencing-wire. Last year we took £59,000 worth of fencing-wire from the United States, and we took just double the quantity that we took from Great Britain. Our British wire imports were £28,000. Is the quality of that fencing-wire as good as what we get from Great Britain? An Hon. MEMBER.- Better. Mr. T. MACKENZIE.- The honourable gentleman is entirely wrong in making a statement of that sort, and I venture to say he has made it in the haphazard manner he is so noted for in this House. The honourable gentleman, if he knew anything about the matter, would know there is no comparison between the quality of British and American fencing-wire in favour of American wire. The British wire is the best in the world; then comes 12.30. the German; and the poorest rubbish of wire that comes into this country comes from the United States. Take their galvanised wire: they have a process of putting on the spelter which makes the article look good; but expose it to the weather and where is it? British wire is three times as good. These goods are brought down in bottoms at 7s. 6d. a ton, and are landed here and sold by firms, displacing British-manufactured goods to the detriment of the people here, because no person, not even those who sell the goods-no person in the iron-trade would dare to say that the quality of American fencing-wire is equal to the British, which will last three times as long. Mr. MONK.- What about their axes? Mr. T. MACKENZIE.- The honourable member for Waitemata, Sir, rises here in a very whole-souled style when he is talking about the flag, but when it comes to trade where is he? I was not talking about axes; I was talking about fencing-wire, which is displacing the British article. But take seeds and other articles: they are not equal to the British goods they are displacing in this country, and I venture to say they are not to the advantage of the farmers or the people who take them. Mr. NAPIER.- The farmers are the best judges, and they buy them. Mr. T. MACKENZIE.- The honourable member for Auckland City is an authority upon all subjects-defence, and law, and even upon "the mailed fist"-but he should know what the relative merits of the goods are that come to the country before he gives his emphatic opinion upon them. Before leaving the question of trade I would like to say that our policy towards the Americans has been one of the utmost generosity in the matter of trade. Every tariff revision that has occurred in this country has extended concessions to the American manufacturers. Last year the duty was taken off kerosene; and the agricultural implements that come from America are free. Fencing-wire is free, and seeds are free, and cotton piece-goods, and these

constitute the bulk of our imports. But whilst we have been extending year after year concessions on these goods, every occasion on which the Americans have revised their tariff they have put increased duties upon the goods we have to send them- as much as 5d. per pound duty on our wool, as much as the value of the article. I therefore think that if we were to meet them as Canada did they would meet us in a similar manner, and extend to us what they have extended to the people of the Argentine. Last year I alluded to a subject that I take a great interest in, and that is the closer relationship of trade within the Empire. On that occasion I was sorry to see the honour- able member for Auckland City (Mr. Fowlds) said that the question of closer Imperial trade rela- tions was really advanced only by the Conserva- tives of the Old Country ; and, in connection with that, I would like to say that this excel- lent movement is not at all confined to Conser- vatives. We have in its favour, of course, Mr. Rhodes, of South Africa. No one can say that he is at all a Conservative, and he has been one

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preferential trade within the Empire. Then, there was the late Sir John Macdonald, of Canada. Every one knows that he was an empire-builder, and surely the remarks of a man occupying that position must be worthy of consideration. And we also have Sir Wil- fred Laurier, the present Premier of Canada. Then, we have Lord Rosebery, an Imperial Liberal of the truest type, and this is what he said in that connection : " It is, as I believe, impossible for you to maintain in the long-run your present loose and imperfect relations to your colonies and pre- serve those colonies as part of the Empire. . I wish to say that, on the ground of commercial interests alone, the question is worthy of the consideration of our great commercial com- munities." That is the question of the Imperial zoll- verein. That was a speech delivered by Lord Rosebery at Leeds. And then we have the opinion of the Right Hon. Joseph Cham- berlain, and I think the honourable member for Auckland City would admit that the Hon. Mr. Chamberlain is a Liberal at heart. Mr. FOWLDS. - Certainly not. He is a traitor. Mr. T. MACKENZIE .- Of course the honour- able gentleman may say so, but that will not have much weight. I think that in his work he has shown to the British Empire that he has the interests of the Empire at heart. The honourable gentleman surely will admit that, whether or not he approves of the principles of the party with which he is now identi- fied ; and, if he admits so much, the odious term "traitor" was highly reprehensible. Mr. Chamberlain said, referring to sentiment shown, - " All these things have naturally created a certain bond of amity between the different parts of the Empire; but something more is necessary for the security and maintenance of that world-wide dominion, that edifice of Imperial rule, which has been built up for us by those who have gone before " Now, he gave another opinion emphasizing that. This is what he said upon another occa- sion, referring to the question of commercial federation : - " If it be a dream, it is a dream that appeals to the highest sentiments of patriotism, and even to our material interests. It is a dream that is calculated to stimulate and to inspire every one who cares for the future of the Anglo- Saxon people. I think, myself, that the spirit of the time is, at all events, in the direction of such a movement. How far that will carry us no man can tell; but, believe me, upon the temper and the cone in which we approach the solution of the problems that are now coming upon us depend the security and the mainten- auce of that world wide dominion, that edifice of Imperial rule, which has been slowly built up for us by those who have gone before." These are some of the opinions expressed by leading men. I have others which the time- limit will not admit of my quoting. And then, Mr. T. Mackenzie ference in Canada some little time ago, when, I suppose, the leading Liberals of the world were present. At any rate, this Government sent Mr. Lee Smith there, and no one would doubt he was a Liberal. And what were the resolutions that were arrived at, at Ottawa, in that connection. Here are some of the resolu- tions, for I will not quote them all :- "That provision should be made by Imperial legislation, enabling the dependencies of the Empire to enter into agreements of commer- cial reciprocity, including power of making differential tariffs, with Great Britain or with one

another. " Whereas the stability and progress of the British Empire can be best assured by drawing continually closer the bands that unite the colonies with the Mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare : And whereas this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products : Therefore resolved, That this Conference records its belief in the advisability of a Customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries." "Further resolved, That, until the Mother-country can see her way to enter into Customs arrangements with her colonies, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured Customs basis than is accorded to the like products of foreign countries." It is impossible for me in the brief time at my disposal to give other authorities, but the point I wish to work up to is this: In connection with our trade relations that we should endeavour as far as possible to confine them to our own people, unless we obtain such concessions from other countries as will be satisfactory to us. I am firmly persuaded that unless we succeed in establishing a wider interchange all our interests will suffer. I would like now to refer just for a moment to the question whether or not this service is carrying out what we hoped it would carry out. We find that the delays that are occurring are most serious. I need only refer to the evidence contained on page 16, where the late arrivals are recorded by the Agent-General at Home as being most serious. Then, we have, again, Mr. Reeves's letter, which I am unable to quote for lack of time, in which he complains about the serious interference with trade by the delays of the Frisco mail. Then, we have the opinions of the various Chambers of Commerce in this country as to the propriety of endeavouring to establish a 1 fortnightly Federal service. A resolution was carried by the Conference to which representatives of the whole colony were sent, and these

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Commerce at Wellington and Christchurch, and, I believe, also by other Chambers. Then we have the opinions of leading men of commerce, in which they state that they are perfectly content with a slower service so long as it is regular, and they urge as much as possible an all British connection with the Old Country. To me it appears that the Vancouver service is the one that this country should endeavour to secure, and that Auckland is the port to which it should go. Of course, it is impossible for me, with the time-limit, to discuss the merits of the case, and I know too it is impossible to enter into a contract with a service of the sort for a year or two; but we should prepare for it now, and even if the service is a day or two longer than the service by Frisco, it is, for urgent reasons, the one we should adopt. Through our losing all connection there some time ago, the trade the Queensland Government had secured in frozen meat has been very considerable, and the trade with Vancouver so developed that stuff was shut out, because they were unable to carry the quantity the people required. In Vancouver they have a large population of miners and millers and others, and at certain seasons of the year our produce will be much valued there. If the San Francisco service were discontinued I am sure it would not affect our trade relations with America to any extent, because the statistics I have quoted show that our trade with the west coast of America is decreasing enormously. According to the honourable member for Auckland City (Mr. Fowlds) it was nearly £300,000 in 1898, while it is down to \$35,000 now. If that is so under those so-called favourable trade circumstances of connection with mail-service, it cannot go back further if we had no mail-service at all connected with it. Of course, there is also the objection to the San Francisco service that we are not able to place any of our New Zealand vessels in the trade, nor employ British sailors. That is a trade that was developed by our own colony, and we have spent vast sums of money

upon it, and now we find the fine fleet of steamers in connection with the Union Company is not permitted to trade at all. It is a serious thing that America should have stretched the Monroe doctrine so as to include Honolulu. I think that is almost a stretch of the law; but still the fact remains that we are now excluded from doing trade on no less than one-third of the extent of the Pacific, which is a most serious thing to us. Personally, I have no antagonism to the Auckland people having the service ; but I do think the service should be by Vancouver, and I do think that the Port of Auckland should be the port to which that service should go. And I think that if we do not now make a stand and say that until the American Government extend to us some trade concessions, then we shall seek some other mode of mail communication; and I venture to think if the colonies do make that stand the astute Americans would meet us and enter into such a reciprocal trade as would be to the mutual advantage of both countries. I believe in keeping on friendly people, and are more in touch with us than any other nation in the world, and I believe, with the honourable member for Auckland City (Mr. Napier), that in the long-run blood relationship will tell. Mr. DEPUTY-SPEAKER .- The honourable member's time is up. Mr. FOWLDS (Auckland City) .- I should like to say something on this important subject, and I shall try to condense what I have to say as much as possible, because all the arguments in favour of the continuance of this historic mail-service have been well and forcibly put by other speakers, and it seems a waste of time to repeat or emphasise them. I have listened with very great care, and have found nothing I can dignify with the name of argument that has not been met by what other speakers have said before. Let me say that I consider that a great deal of unnecessary heat and bitterness has been generated on both sides in connection with this question. I do not propose to trace the genesis or apportion the blame of the bitterness that has been imported into the discussion of what ought to be a mere matter of business. Even supposing we admit sentiment, the highest sentiment is altogether on the side of the continuance of the service. An attempt has been made by some speakers to-night to make it appear that the people of Auckland and the members for Auckland City have believed that the very existence of the northern city depends on the continuance of the service. I do not know where they got their impression from I have never seen anything in the papers or heard anything from the platform in Auckland to give such an impression. As a matter of fact, I agree entirely with those who say this is not specially an Auckland question, that it is a colonial question, and any benefit the people of Auckland can derive from this service above what is derived by the citizens in other parts of the colony is so small as not to be worth mentioning. The honourable member for Dunedin City (Mr. Millar) said he did not believe that the profit accruing to Auckland from supplying the ships exceeded \$2,000 per annum, and probably he was not very far out in that contention ; and surely the whole of the people of the largest city in the colony are not going to go bankrupt because of the withdrawal of a profit of \$2,000 a year. How is it, then, that this question raises so much heat in Auckland and among Auckland members when it comes up for discussion in the House? I think I can give the answer. The reason is this : The Frisco service has been the best mail-service the colony has ever had. It has existed now for over thirty years, and is the best that can be had ; and the people of Auckland naturally feel astonished when any one opposes a mail-service which is the quickest and cheapest the colony can have. When they see the bitter opposition, and hear remarks made in opposition to the service, they wonder what can be at the bottom of it all, and the only explanation that offers-and it is not removed or modified by what has been said to-night -is that the whole trouble arises because the ter-

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make bold to say that if the steamers had been coming to Wellington there would not have been so much opposition to a renewal of the contract by the Wellington members. The remarks made by the honourable member for Wellington City (Mr. Fisher) about the Auckland people dreaming of the service, and waking

up in a nightmare about it, are merely a figment of his diseased imagination. Then, the honour- able gentleman said that with the large ship- ping of this port, they had no time to think of it. Auckland is in a still better position. As pointed out by the Minister of Justice, the tonnage of the shipping at Auckland is larger than that in the Empire Port of Wellington, so that the matter of a mail-steamer more or less going to the port is not a matter to affect them to any extent. But it has been conclusively shown that a mail- service by this route is superior to anything we have ever had or anything we can have, because it is the shortest you can get. There is another reason : that you have the mails carried by rail for a longer distance by the San Francisco route than by any other, except the Vancouver, which takes a couple of days longer by sea, and until you get ships that can travel as quick on the sea as the train can upon land you can- not take mails as quickly by any route as you can by taking them through America. Now, I do not want to repeat what has been said, but I want to emphasize again that the return which is to be found on page xx. of the Postal Report clearly establishes this fact : that the differ- ence of time in favour of the Fr'isco service as against the Federal service, carried by the Peninsular and Oriental and Orient boats, is on an average about eight days, taking all the ports of the colony. It was contended by the mem- ber for Dunedin City (Mr. Millar) that the Federal service could be shortened by having more direct connection with Australia. Now, I want to point out that the comparison which has been made in this table is between the times taken by the San Francisco boats in the year up to the 31st March last, and that it embraces about eight months when the old steamers were travelling; also that the con- tract time was then nineteen days, as against sixteen or seventeen under the new system. It also includes the first three or four months' running of the new boats, when the machinery, as we know, broke down, and some of the trips took a very long time. It is not possible by any system of connection with Australia to reduce the Federal service as given in that table to the same extent as the San Francisco service will be in the future-provided that the contention which is made, and which, I believe, is justifiable, that the boats are now in good running-order and able to keep to time-table date. It has been argued by several speakers that the question of time is not an element of any great importance in a mail-service. That is to me a new and most extraordinary proposi- tion. If that is correct, what is the use of our bothering at all about any mail-service? Let us pay the postal rate of 28. a pound on our mails, and let them come along either this Mr. Fowlds But surely the eight days between the thirty- four and twenty-six must be of more importance than the three or four days between the forty, the average time of the Federal mail-service, and the forty-five that we could get from a Direct service. If time is not an important element, let us take the cheapest mail-service we can get. Let us take sailing-vessels or anything that we can get most cheaply. and pay for the mails at so much per ton. It is a most ridiculous pro- position to make that every day in the trans- mission of mails between this country and Europe is not of the utmost importance. It means a saving in many respects-saving in the cost of exchanges, which are regulated to a considerable extent by the time taken in the transaction. Now take the question of cost. The figures submitted to us by the Post- master-General show conclusively that the Fr'isco mail is the cheapest service we can get. It is \$3,000, at any rate, cheaper than the Federal service, even supposing we can get that on a population basis ; but, if we have to pay the rates we are paying at the present time, it would be more like £30,000 cheaper, while the Vancouver service, assuming it to be secured, would cost £5,000 more than the present service. Now, what is there to counterbalance these advantages of the San Francisco service being eight days quicker than the Federal, which is one of the alternatives, and five days less than any possible Vancouver service can be even if we get as fast boats on it as those that run to San Francisco? What are the disadvantages that are to be set against these advantages of shortness of time and less cost on the San Francisco service ? A good deal has been said about the American goods coming here, and I think the honourable member for Dunedin City (Mr. Millar) said something about this being the nation that was our bitterest oppo- nent. That was because Americans are coming into this country. Now, I never realised before that

exchanges between nations made them bitter enemies. It seems to me that the more trade we have exchanging between two countries the more friendly those two countries ought to be, and on that basis our relationship with the United States is considerably more favourable than it is to the Dominion of Canada. But, then, what we are seeking is a mail-service, and, as I pointed out, there is no possible competitor, either in point of time or in cheapness, to the San Francisco service. The honourable member for Dunedin City also tried to make as much as possible of this question of Imperialism and patriotism, and tried to arouse a feeling against the people of the United States by referring to that cable the other day with reference to what was being done in the Philippines. He tried to say it was the same that we were doing with the Boers in South Africa. This cable was to the effect that the cable concession to an English company had been terminated. Now, this was entirely different from what was done by the British to the Boers in South Africa, but it was identical with what was done by the British to the

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South Africa. Why should it be raised as an objection to America, when they could quote as a precedent what Britain did to the other investors in concessions in South Africa? Surely if the British were right in taking the stand they did in connection with concessions in which American and foreign money was invested, we cannot complain if America treated British investors in Philippine concessions in exactly the same way. I do not know that it is really worth while to touch on any of the other points. I have already dealt with the question raised by the honourable member for Christchurch City (Mr. Collins), about Auckland as a city going to burst unless this service is continued. I say it is out of the diseased imagination of the speakers who have spoken in that way that such an idea has originated. I never heard of it. It is simply because the people of Auckland realise, as the people of this country as a whole, I believe, realise, that this is the best and quickest mail-service we can have, and those opposed to it must be doing it for the purpose of injuring Auckland, and not that it is essentially of advantage to the northern City. It gives them certainly their mails a day ahead of any other of the main centres of the colony; but that must happen wherever the mails come to. Now, the honourable member for Christchurch City elaborated with great emphasis and fullness the fact that mails could be distributed quicker to all parts of the colony from Wellington than from Auckland. That is all right if you can bring the mails to Wellington as soon as you can bring them to Auckland; but under existing circumstances, and until you can change the geography of New Zealand in its relation to America and the Northern Hemisphere, it will always be possible to bring the boats to Auckland and then land the mails in Wellington by a coastal steamer within a few hours of the time they could come direct to Wellington; whereas if we had the railway, as we hope to have it before very long, we will be able to land them at Auckland and deliver the mails in Wellington two or three hours ahead of the time the steamer could deliver them coming direct to Wellington. I do not see the force of the argument of the member for Christchurch City about the port of distribution, and saying Wellington was the natural port. That is a matter I need not go into. If it were possible for the mails to be brought to Wellington and delivered to other parts of the colony in less time than by the steamer coming to Auckland I should not for one moment claim that the boats should come to Auckland; but as it is we can bring the boats there and give the people of all the northern portion of the colony a day earlier in the delivery of their letters, and still deliver them at Wellington as quickly as if the boat went direct to Wellington. I see no reason why a change should be made in the port of call. Now, all the talk that has been made about subsidising a foreign country is to me so much rubbish. What is the nature of our relationship to America? So far as I United States of America than I have in the Old Land; and I believe a great many of the members of this House and the people of this country are in the same position. And what is more than that, the ideals of the two peoples are very much the same, and we want to try and increase this unity of feeling and unity of ideas. I have listened with sorrow to some of the speeches made

by members of the Liberal party in this House to-night, and I have thought, almost with horror, of the possible suffering to the noble soul of our great Pro-consul, the late Sir George Grey, who was one of the first and most insistent advocates of promoting and maintaining a union of the two great English-speaking peoples. And I am perfectly satisfied that, whatever disadvantages some of the opponents of this service may think they see, that the influence it will have in binding these two branches of the English-speaking people into one will far out-balance any possible disadvantages that may occur through a few doors coming to New Zealand that the honourable member for Wellington City (Mr. Hutcheson) says were made in the prisons of California—a statement which I doubt very largely. I have here a speech made by Sir George Grey in 1885 in which he says : - "To secure intercourse with any great men is a great advantage—in fact, to me it is an inconceivable advantage ; and if I were told that a colony like New Zealand had determined, for the sake of saving a thousand or two a year, to rob itself of intercourse with one of the greatest English-speaking populations that exist in the world I should think that it was incredible. I do implore honourable gentlemen, before they adopt a course of this kind, to reflect on the subject ; for I am satisfied that each man is doing what he thinks best for the interests of the colony ; but if they do reflect upon it they will not inflict what will be a severe injury upon the people of New Zealand. I trust that they will not pay attention to small ideas as to saving a few pounds, but that they will pay attention to those larger considerations that I now put to the House." An Hon. MEMBER .- The conditions were quite different then. Mr. FOWLDS .- Yes; there are more reasons why we should have this connection with the people of America to-day than in 1885, when Sir George Grey made the speech from which I have quoted. But I do not wish at this hour of the morning to detain the House longer. As I said before, I decline to go into hysterics on the subject. I feel satisfied that the good sense, the good judgment, the integrity and intelligence of the members of this House will decide that this is admittedly the shortest, quickest, and cheapest mail-service for New Zealand, and that it shall be continued. My only fear is that the reduction made in the conditions may, after all, result in its being lost to the colony, and if so a very serious responsibility will rest upon the Government of the day. But that this House would

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which I could not for one moment accept. Mr. ATKINSON (Wellington City). Sir, the honourable member for Auckland City (Mr. Fowlds) said he had no intention to go into hysterics upon this question, and he has certainly fulfilled his promise, and if all the other representatives of Auckland had imitated his spirit the question would not have been approached with any heat on either side. It was an exceedingly ingenious plea that the honourable member put forward for other representatives of Auckland City who have not taken the same reasonable attitude. He suggested that their attitude was unreasonable, not on account of any local concern for Auckland, but simply from concern for the colony as a whole. Feeling that the Frisco service was so much the best and so obviously the best for the whole colony, they must necessarily suspect some sinister motive on the part of those who venture to doubt so palpable a truism. Well, as I say, it is unfortunate that other representative persons from Auckland have not brought the same reasonableness to bear upon this question. And, if we may judge of the people of Auckland by their utterances upon this question, we are entitled to say, I think, that while the people of Auckland have a magnificent public spirit, and great munificence has been shown on the part of its citizens—a munificence which I should be proud to see equalled in this city—Auckland has also the defect of her qualities, and I am afraid, with regard to this particular contract, she has shown that defect in a very pronounced fashion. But here in Wellington we have taken a cooler view of the position. We are more cosmopolitan ; we have perhaps less of that public and corporate spirit than they have, but by reason of that defect we have taken a more level and even view upon this question than the majority of the people in Auckland. Of

course, there is the further reason that this is a more serious question to the people of Auckland than it is to the people of Wellington. It is a greater hardship to be deprived of a benefit, even a small one, which you have long enjoyed than merely to continue to do without what you never had, and had little prospect of ever getting. Now, I would like to draw attention to some recent utterances of the senior member for Auckland. and the Mayor of that city. I think the honourable member for Auckland (Mr. Fowlds), with his candour, will admit that some of the utterances of both those gentlemen during the last few days do not admit of the same reasonable construction as the honourable member desired us to put upon them. In a telegram from the Mayor of Auckland to the Premier on the 14th instant, he reminds the Premier of his promise with regard to the Frisco service in the following terms : "There is intense feeling here regarding the San Francisco mail-service. In your address to the Auckland electors on the 31st May, 1899, you said the San Francisco service was the best the colony had, and you were going to keep it- you had never the slightest intention of taking Mr. Fowlds gether as long as you were Prime Minister." Surely there is something there of local interest. I take it that the Premier would have held to his promise if he did not rob Auckland of this privilege in order to give the preference to any other city in New Zealand ; but I fail to see that the Mayor of Auckland can justify holding him to his promise, or to the apparent letter of his promise, if it should be proved that the best interests of the colony would be served by dropping the service altogether. Then, the senior member for Auckland City (Mr. Napier) sent a telegram. My colleague has referred already to that telegram, and while my colleague was referring to it the honourable member (Mr. Napier) said there was no statement in that letter. I do not know whether he meant that threats were not statements; but let us look at the telegram and see whether there are no statements in it. This is the telegram, and it is addressed to the Mayor of Auckland,- "Thanks for resolutions. Your meetings and telegrams give us great encouragement. Glad to see all Aucklanders united to resist the latest attempt to injure the Empire and colony, and further despoil Auckland by abolishing San Francisco mail-service. Continue to display the unanimity of the people of the province by meetings and resolutions of public bodies. The help of the people so given will sustain and strengthen Auckland members in doing their duty unflinchingly. Any weakening by a member, in face of clamours of Auckland's enemies in the Press, should be visited with severest censure." That is to say, that so reasonable and statesmanlike an utterance as that of the honourable member for Auckland City (Mr. Withford) which had been given publicity to on the previous day, should be visited with the severest censure. Then the telegram proceeds :- " All Governments appreciate the conciliatory power of the mailed fist of a united people. For thirty years our province has been plundered, and if it is necessary to prevent further humiliation we must allow party politics to slumber for a period, and fight as one man for our rights." 1 That is, for the rights of the people of Auckland. It is from the Emperor of Germany that the honourable gentleman has borrowed the 1 phrase " mailed fist." The Emperor of Germany sent a sensational telegram, it will be remembered, and the honourable member for Auckland is going to rival him, and here is the 1 result. It is appropriate that the honourable member should borrow a phrase from another military potentate. The only other passage in literature where I can remember the use of the epithet "mailed " is one of the funniest passages in the " Anti-Jacobin,"- Ah! who has seen the mailed lobster rise, Clap her broad wings, and, soaring, claim the skies ? The answer to that is not recorded ; but I should say, if any lobster were to make any such foolish attempt, it would not make a less dignified or less effective figure than the honourable member for Auckland City (Mr. Napier)

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when he shakes his "mailed fist"-his San Francisco mailed fist-in the face of the colony, and expects us all to come to the salute or the salaam, even if we do not go so far as to run away. One of his threats was that the city I represent would be disfranchised if we did not fall into line. Now, it is too late for the

honourable member to set up as a humourist in this House—we know him too well ; but, I shall not insult the intelligence of the House or the country by treating that argument seriously. He has recently become not only an authority upon military etiquette, but on the principles of warfare, and a question raised on the Order Paper by my junior colleague is, whether the paper he has published on the principles of warfare is to supersede the ex- position of the same principles in the other Napier's " Peninsular War"? Whether his authority is to supersede that of his namesake, I do not know, nor whether on naval matters he is going to succeed Captain Mahan as an authority. But I would ask him to deal frankly with this problem, if he does handle the sub- ject namely, Whether it is in accord with his principles of naval strategy to subsidise the cruisers of a foreign Power? I am sure the honourable gentleman's answer to that pro- blem will be awaited with the keenest interest throughout the colony. Then, he said, "these hostile tariffs and restrictive laws"—he was referring, of course, to the tariff of the United States—" ought to be swept out of existence." Of course they ought to be, and if a wave of his mailed fist would have swept them out of exist- ence they would have gone already. But, unfortunately, the mailed fist is not powerful enough for that; the tariff and the laws are there, and, as sensible men, we must deal with them as facts, and not blink them. Then, the honourable gentleman told us that that great country is "practically under the same laws " as we have ourselves. That, of course, includes the navigation laws, and, as Artemus Ward makes the remark, "Meanwhile the airth continues to revolve on its own axle- tree, subjec' to the laws and constitootion of the United States." So the honourable mem- ber apparently thinks that this colony, and even this planet, will continue to exist and to revolve in space, subject to the navigation laws of the United States, and to whatever terms Mr. J. D. Spreckels chooses to offer. I am not exaggerating when I say that not only in his telegram but also in his correction of my colleague, the member for Wellington City, the honourable gentleman gave us to understand that the interests of the Empire were at stake, and not merely those of Auckland or this colony. Now, he dealt most disingenuously, as it seemed to me, with the figures relating to the trade between this colony and the United States. The honourable member for Hawke's Bay, Captain Russell, dealt with the subject much more frankly, and he admitted that there was no cargo at all, practically speak- ing, coming by this route; but he urged that quick mail communication was essential to trade, and, therefore, the service must be main- Atlantic ports of America, and therefore we must maintain a rapid and expensive mail- service with the Pacific coast. Surely that was no argument, and, as one member said, probably Mr. Spreckels would carry our mails whether we subsidised him or not. Failing that, communication via Vancouver or Sydney would be quite fast enough for the purposes of the East Coast trade. Now, I have here the figures with regard to our trade with the United States, and though, to a certain extent, I am anticipated by the honourable member for Waihemo, I have fuller details here, and will give them :-

TRADE BETWEEN NEW ZEALAND AND THE UNITED STATES, 1900. Imports.

Port	United States- £	£	£	£	£
Wellington. Total	243,914	268,52			
Auckland. Lyttelton. Dunedin. Ports.	168,552	198,076	958,28	€	
East Coast	14,330	12,024	103,587		
West Coast	45,112	19,536			

That is to say, 15.2 per cent. of Auckland's imports from the United States come from the west coast, and 10.7 per cent. of the colony's. Exports. Wellington. Total of all Auckland. Lyttelton. Dunedin. Ports. United States- £

Port	United States- £	£	£	£	£
Wellington. Total	379,283	14,012	8,788		
East Coast	6,057	424,314	..	31,482	
West Coast	24,395	8,104	794	891	

That is to say, 6.5 per cent. of Auckland's exports to the United States go to the west coast, and 8.1 per cent. of the colony's. Actually 82.3 per cent. of the New Zealand exports are represented by kauri-gum : 94 per cent. of the Auckland exports are kauri-gum ; and 99 per cent. of the kauri-gum goes to the east coast of America, and not to the west coast. The figures regarding the kauri-gum are inter- esting, and I will give them : Exports to east coast, £375,472; exports to west coast, \$2,520. Something like } per cent. goes by this route, upon the maintenance of which the salvation of this colony and the Empire depends. Now, there is undoubtedly a strong sentiment with regard to this service which did not exist a couple of years ago. So far as my sentiment is concerned, for ten years I was something like an exile in the Old Country,

and I have the very warmest associations with the San Francisco service, dating back from that most impressionable time in my life. But the argument of sentiment has changed in consequence of the appearance of the Messrs. Spreckels on We have heard a great deal about the scene.

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economically with the member for Hawke's Bay than with the member for Waihemo on the question of the "balance of trade," and even, perhaps, of the Imperial Zollverein ; nor have I any sympathy with much of the blather and the bigotry that has passed for patriotism in this colony and elsewhere during the last two years ; but I say that to me, at any rate, it is plain business and common-sense to be unwilling to subsidise a service that involves the exclusion of our own people. That is why there is such a strong feeling against the proposed deal with the Spreckels Company. My colleague, Mr. Hutcheson, has reminded us that he realised a year ago what would happen ; but when the incident occurred at Honolulu in June last year, and the "Moana " could not take passengers and cargo on to San Francisco, we felt it was a real grievance, and there was a feeling of shame that we, as Englishmen, should be placed in such a position. Now it is admitted by the Postmaster-General, the member for Franklin, and others, that it is a hardship, and one we are entitled to resent ; and although they say it is a matter that should be treated on business lines, it is remarkable to see their application of business principles to this problem. The Postmaster-General says we should use "moral suasion " to have the wrong redressed. Well, if I were ever to try moral suasion on a crocodile, I should prefer not to attempt it from the inside. Even from the inside I might move it to tears-crocodiles are said to be very much disposed that way when they have got the right side of you-but the tears would not get me out. The parallel is exact. We are to allow Spreckels to swallow us, and then to use moral suasion with him to let us out again, or, rather, to use moral suasion to get Spreckels to go to Congress with the view of having the navigation laws repealed in our favour in order that we may cut his throat and throw him over. An Hon. MEMBER .- No; we do not ask for the repeal. Mr. ATKINSON. - The honourable gentleman says, No; but, unfortunately, that I think is what he will have to ask for. Whether repeal or modification, we shall have a poor chance of getting it after we are swallowed. Now, on the 9th of January, on the San Francisco mail-boat in Sydney, the Premier said :- " If the Spreckels Company kept on fair and legitimate ground its success would be sure, but the moment anything was done unfriendly to his colony or nation he would resent it in a way that would not be forgotten." What could be more unfriendly-more barbarously unfriendly-to the colony than the navigation laws under which the Union Company are deprived of the privilege of trading between Honolulu and San Francisco ? Mr. A. L. D. FRASER .- That law was in operation before Mr. Seddon spoke. Mr. ATKINSON .- The honourable gentleman need not remind me of that. I do not suggest it was passed for Spreckels's benefit at a moment's notice, and, of course, it was during Mr. Atkinson spoke. But the question now is, whether we are to renew or not. The honourable member for Auckland City (Mr. Fowlds) said Mr. Spreckels was not to blame in the matter. It may not be Mr. Spreckels's fault, it may be his misfortune; but the result is, so far as we are concerned, that Spreckels has the whip hand, and our own fellow-subjects are penalised. I consider this deal with Spreckels entitles me to call this route "the all-green line." We were very green to enter the engagement, and I am certain our own colour-green -was reflected in at least one of his eyes at the time -the other was doubtless closed. The line I should prefer I may call the "all-blue line"-a direct long sea-service. The honourable member for Auckland City (Mr. Napier), by the way, was a little out in his geography ; I will not say he was at sea, for it was on shore he was most out. He told us there was no such thing as an all-red line. The all-blue line, at any rate, will be as good as an all-red line, because so long as Britain holds the seas the two colours for this purpose are practically identical. I was pleased to hear the honourable member for Waihemo say that he considered it not at all impracticable to establish a regular Direct service to the Old Country. The importance of having such a

service for the carriage of our produce out- weighs immeasurably the question whether or not we shall have our letters delivered two or three days sooner or later. Failing this route, I should prefer to see arrangements made for the Federal route. I am sorry the Govern- ment treated the proposals of the New Zealand Shipping Company with regard to the Van- couver route so very cavalierly. A suggestion was made by that company, in a letter dated 2nd August, 1900, and they received a reply from the Postal Department on the 11th April, 1901, a delay of more than eight months. The company then replied that it was too late, as they had parted with their interest in the service, or a part of it. The member for Auckland City (Mr. Fowlds) said there were eight days' difference between the Federal route and the Frisco route. He was much fairer in that respect than his colleague, Mr. Napier, who insisted on comparing the time-tables under present arrangements, when there is no connec- tion in Australia with the Federal route. There is, however, a test which neither of them applied, though it is a much fairer one 1 than the time occupied by a single journey. The real test is the time when you can get a reply to a letter, and, if we test the respective routes in this way, the differ- ence in time becomes much less marked. Of course, the three-weekly period is in 1.30. itself highly inconvenient, as our calen- dars are adjusted to multiples of two, and the three-weekly period is inconvenient both to the business-man and the amateur. But, of course, we are a mere incident in Mr. Spreckels's cal- culations and dealings, and the result is that the inconvenience of a three-weekly period is aggravated by the fact that the time-table is ar-

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Let me mention the time-table of the mail just leaving here, and the mail to arrive here in a day or two. The mail leaves Auckland on the 19th October, and arrives in London on the 16th November. The return mail leaves London on November 23rd and arrives in Auckland on the 23rd December. The actual time en route is fifty-eight days ; the time for getting a reply is sixty-five days. The inward mail which left London on the 21st September reached Auckland on the 21st October ; but there is an interval of eighteen days before the return mail leaves Auckland on the 9th November, and it arrives in London on the 7th December. Thus, in this case, it takes a correspondent in London seventy-six days to get a reply. Taking the average of the two return journeys, the result is seventy days and a half, as against seventy-four days to and from Dunedin by the Federal route. Now, I may be permitted to say that Dunedin has just as much right to be considered as Auckland, and communication with Dunedin would be es- tablished by that route in thirty-seven days. Of course that route would be greatly prefer- able, as it would be a weekly instead of a three- weekly table, and the time it would take to get an answer by that route would be thirty-seven to forty days as against thirty-five to thirty-six days by the Frisco route, instead of the eight or nine days' difference as suggested by Mr. Fowlds. Now, I have endeavoured not to tra- verse the ground which has been previously covered ; but I would like, in conclusion, to summarise the points which seem to me of im- portance in regard to the service. The honour- able member for Auckland City (Mr. Fowlds) really departed from his usual fairness and can- dour when he put all sorts of ridiculous sugges- tions into the mouths of the opponents of this service : such as that if the mail came this month or next month it would not matter, or if it came by some sailing vessel it would be all the cheaper. Now, nobody has been absurd enough to say that, other things being equal, speed was not of enormous importance. What we urge is that regularity - absolute regularity -and precision are of more importance than mere speed, especially in the case of Spreckels's line, where the speed is right enough on the journey, but on account of the long intervals between the mails the period is really very much longer. Now, I am not going to discuss the question of the value of extra speed in regard to our mail-service from England, but I want to point out that these are the points to be considered, and put them in what appears to me to be their order of importance : First, regularity ; second, frequency; third, speed ; fourthly, speed, not only in the single journey but in the return; fifthly, a trade route to be preferred where practicable; sixthly, a path- way

through our own Empire to be preferred, other things being equal ; and, seventhly and lastly, that our own boats should be preferred, other things being equal. Now, upon these grounds which seem to me of public importance, and matters of business and not of sentiment- VOL. CXIX .- 34. are business as well as sentiment ; but I think on the bare question of interest and business we ought to reject the proposal for the San Fran- cisco service and make the best arrangements we possibly can for one of the other alternatives still open to us. Debate adjourned. The House adjourned at twenty minutes to two o'clock a.m. (Friday).