

LEGISLATIVE COUNCIL. Friday, 23rd August, 1901. First Readings-Second Readings-Third Readings-Disorder in Committee-Victoria College -Shops and Offices Bill. The Hon. the SPEAKER took the chair at half- past two o'clock. PRAYERS. # FIRST READINGS. Imprest Supply Bill (No. 3), Rotorua Town Council Validation and Extension Bill, Go- vernment Advances to Settlers Extension Bill. SECOND READINGS. Imprest Supply Bill (No. 3), Rotorua Town Council Validation and Extension Bill, Govern- ment Advances to Settlers Extension Bill. THIRD READINGS. Imprest Supply Bill (No. 3), Rotorua Town Council Validation and Extension Bill, Govern- ment Advances to Settlers Extension Bill. DISORDER IN COMMITTEE. The Hon. Colonel BAILLIE .- Sir, I rise to a point of order. An occurrence took place last night in Committee, and I wish to bring up a report on the subject, as follows :- "While the Council was in Committee of the Whole on the Shops and Offices Bill, on Thursday, the Hon. Mr. Jones used language to which an honourable gentleman took objec- tion, and I thought fit to request that the remark should be withdrawn. The Hon. Mr. Jones claimed the right to use the language objected to, and declined to withdraw it. A motion was therefore carried that I should report to the Council the refusal of the Hon. Mr. Jones to obey the Chair." I think that is about what took place, as well as I can put it on paper. I asked the Hon. Mr. Jones to withdraw the remarks which he had made, and he declined to do so, and the Committee then passed a resolution that I should bring it up under the notice of the Council and of yourself. The Hon. Mr. ORMOND .- Sir, ought not the Council to know what was the offence com- mitted before we deal with the matter ? What were the terms complained of for which that honourable gentleman was called to account ? The Hon. Mr. W. C. WALKER .- I think the question simply was this : that last night the Hon. Mr. Jones, unfortunately, to my mind, did not see fit to obey the ruling of the Chair. I have always been bound to believe that dis- cussions in a Chamber of this kind are only possible when the Chair is obeyed in matters of order. The Chair may be right, the Chair may be wrong ; but, still, if the Chair rules that a certain course should be followed, I think it is the duty of everybody in a Chamber like

this to obey the ruling of the Chair. I do not give any expression of opinion as to the language used ; I do not think that enters into the question at all ; but, if the Chair rules a certain matter to be out of order, I think every one of us ought to be able to see his way to obey the ruling, quite apart from the merits of the language used. I trust, therefore, that the honourable gentleman who unfortunately came into conflict with the Chair in Committee last night will see his way to withdraw from the position he took up. I am not expressing any opinion as to the language used ; but, still, I take it that one of the first rules we have got for the conduct of our business is that in this matter the direction of the Chair should be followed. The Hon. the SPEAKER .- The only point I have to consider is the refusal of the honourable gentleman to obey the Chair. It is no part of my duty, nor have I anything to do with the decision as to whether the words used were parliamentary or not. There can be no possible doubt that it is my duty to support the Chairman of the Committee, and I therefore call upon the honourable gentleman who used the words -that I understand were offensive to another honourable member-to withdraw those words : and I am quite sure that he will see that by so doing he will best consult not only his own dignity, but the dignity of the Council. The Hon. Mr. JONES. - Sir, I am willing to accept the position. I am, of course, conscious that, whatever may be the ruling of the Chair in this Council, it is the duty of every honourable member to obey that ruling, for the sake of his own dignity and self-respect and in order to facilitate the proper conduct of the public business of this Chamber. I therefore submit to the ruling of the Chairman in regard to my conduct last night. But, while I cannot but express regret at the occurrence, I feel it is due to myself to explain that my refusal last night to submit was consequent upon my impression at the outset that the Chairman did not definitely decree that I had committed a breach of the rules which are designed to guide this Council in the conduct of its business ; and also to my conviction that such a decision could not possibly have been intended by the Chair. I was justified in taking this view by the doubts repeatedly expressed and the questions persistently put to the Chair by other When I realised the honourable

gentlemen. truth, I had committed myself to a certain line of conduct from which I naturally enough was reluctant to retire. I understand that this explanation and submission to the ruling of the Chair do not necessarily imply any acknowledgment on my part that the language I used on the occasion was unparliamentary, and such as I had no right to use in this Council. At the same time I wish to add that I had no in-

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tention whatever of reflecting on the personal character of any honourable gentleman of this Council, or of any other person whose misfortune it is to be engaged in the liquor traffic. This explanation will, I trust, settle the difficulty which developed as a result of the protest against the language which I used, for it is ever made easy for an erring honourable gentleman to rehabilitate himself in the good graces of this Council. But, as it is very desirable from every point of view that the question as to whether the language I used was unparliamentary or not should be definitely settled, as the Council last night desired to have your opinion, Sir, on that point, and as it will not be decided by you if the matter be left as it now stands, I repeat my allegation by declaring that the trade which is pronounced by the highest ecclesiastical, medical, and judicial authorities to be the most fertile cause of crime, misery, insanity, pauperism, disease, and death may be fittingly described as "detestable." The Hon. the SPEAKER .- The honourable gentleman has explained at full length his view of the position, but, as I pointed out in the few words I felt it my duty to address to the Council, it is not a question of whether the words were unparliamentary or not. The honourable gentleman is well aware the ruling of the Chairman must be sustained, even if the Chairman is wrong. I understand the honourable gentleman withdraws his words in obedience to the ruling of the Chair. The Hon. Mr. JONES .- I do. VICTORIA COLLEGE. The Hon. Mr. REEVES asked the Minister of Education, If the Government and Governors of Victoria College have come to any decision as to a site whereon the College buildings shall be erected? Honourable members would remember that the Victoria College Act was passed in 1898, so that it was nearly four years ago now since the measure came into force. From that time to the present there had been a considerable amount of discussion between the College Governors and the Government as to where the College should be housed. It was time now some decision was come to on the question. It was not a mere local matter, but a matter of general policy, and one that affected the good of all the provinces bordering on Cook Strait. He believed he was right in saying that the Government and the Governors of the College could get a place that was far more suitable than Wellington for the erection of the College. The Hon. Mr. W. C. WALKER said, in reply to the honourable gentleman, he could only state that no decision had been come to on the matter between the Government and the Governors of the College. SHOPS AND OFFICES BILL. This Bill was further considered in Committee. Clause 20 .- Office hours. The Hon. Mr. BOLT moved to insert the words "or offices of forwarding agencies." The Committee divided. AYES, 25. Kelly, W. Arkwright Scotland Louison Smith, A. L. Bolt Feldwick McLean Swanson Gourley Montgomery Taiaroa Ormond Harris Tomoana Jennings Twomey Pinkerton Johnston Reeves Walker, W. C. Jones Rigg Williams. Kelly, T. NOES, 2. Barnicoat Shrimski. Majority for, 23. Amendment agreed to. Clause 24 .- Exemptions. The Hon. Mr. JENKINSON moved, That subsection (1) be struck out, namely :- "(1.) It shall not be deemed to be a breach of the last preceding section if, while an office is by this Act required to be closed, an office-assistant is employed in the office in the cases and for the purposes following :- "(a.) In the case of a cashier, or cash-book keeper, for the purpose of balancing his cash or cash-book

after the close of the day's transactions, where a daily balance is usual. "(b.) In the case of a ledger-keeper, for the purpose of the periodical balance of his ledger. "(c.) In the case of any office-assistant, for the purpose of the yearly or half-yearly balance of the business of the office : Provided that he shall in no case be employed under this subsection for more than three hours in any one day, nor for more than four weeks at each balance, nor unless at least two weeks' previous written notice of the date of the balance has been given by the occupier of the office to the Inspector. " (d.) In the case of any office-assistant, for the purpose of writing up the books for the day's transactions, or clearing up arrears of office-work generally : Provided that he shall in no case be employed under this subsection for more than three hours on any one day, nor for more than six days in any one month. " (e.) In the case of a messenger or caretaker, for the purpose of attending on any office-assistant lawfully employed in work under the provisions of this section." The Committee divided on the question, " That the words proposed to be omitted stand part of the clause." AYES, 21. Arkwright Kelly, T. Rigg Scotland Bolt Kelly, W. Shrimski Feldwick Louisson McLean Gourley Smith, A. L. Harris Swanson Montgomery Johnston Ormond Taiaroa Walker, W. C. Pinkerton Jones

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NOES, 4. Jennings Reeves. Barnicoat Jenkinson Majority for, 17. Subsection (1) retained. The Hon. Mr. BOLT moved, That subsection (2) be struck out, namely :- " (2.) Every person who is employed during such extended hours under paragraphs (c), (d), and (e) of the last preceding subsection shall be paid therefor at half as much again as the ordinary rate, but the overtime rate shall not be less than one shilling per hour, and shall be paid at the first regular pay-day thereafter." The Committee divided on the question, "That the words proposed to be struck out stand part of the clause." AYES, 11. Scotland Kelly, W. Arkwright Swanson Feldwick Pinkerton Walker, W. C. Reeves Jenkinson Rigg Kelly, T. NOES, 15. Ormond Johnston Barnicoat Shrimski Jones Bolt Smith, A. L. Louisson Gourley McLean Taiaroa Harris Williams. Montgomery Jennings Majority against, 4. Amendment agreed to. Clause 25 .- " (1.) The occupier of an office shall at all times keep a record-book, called the ' Extra-time Book,' wherein shall be entered a correct record showing, in the case of each office- assistant who is employed under the last preceding section, the name of the assistant, and the respective dates, periods, and purposes of such employment. "(2.) The extra-time book shall at all times be open to the inspection of the office-assistants and of the Inspector. " (3.) The Inspector may at any time require the occupier to verify the entries in the extra- time book by statutory declaration in such form as may be prescribed by regulations." The Hon. Mr. PINKERTON moved, That subsection (3) be struck out. The Committee divided on the question, " That the words proposed to be omitted stand part of the clause." AYES, 12. Kelly, T. Smith, A. L. Arkwright Louisson Swanson Bolt Harris Tomoana Reeves Walker, W. C. Rigg Jenkinson NOES, 12. Barnicoat Kelly, W. Scotland Montgomery Shrimski Feldwick Ormond Jennings Taiaroa Williams. Pinkerton Jones The CHAIRMAN gave his casting vote with the " Noes." Amendment agreed to. Clause 26 .- "(1.) Every wholesale warehouse shall be closed not later than one of the clock in the afternoon on Saturday, and six of the clock in the afternoon on every other working- day, and shall continue closed for the remainder of the day. " (2.) A wholesale warehouse shall be deemed not to be closed within the meaning of this Act unless it is locked or otherwise effectually closed against the admission of the public. "(3.) In the event of any other day than Saturday being appointed as the closing-day for shops in any district, the occupier of a whole- sale warehouse in such district shall be entitled to close his warehouse on that day in lieu of Saturday : Provided that he lodges with the Inspector during the month of January in each year, or within one month after a wholesale warehouse is first opened for business. as the case may be, a notice of his desire so to do. "(4.) The wages or salary for the half-holiday hereby provided of every person employed in a wholesale warehouse shall be at the same rate as for ordinary working-days, and shall be paid at the first regular pay - day after the half- holiday. " (5.) A person employed in a wholesale ware- house shall

not be employed in or about the warehouse or its business after the expiration of half an hour after the hour when by this Act the warehouse is required to be closed for the day. " It shall not be deemed to be a breach of the last preceding subsection if, whilst a wholesale warehouse is by this Act required to be closed. a person is employed therein for the purposes of stock-taking : " Provided that he shall in no case be employed under this subsection for more than three hours in any one day, nor for more than four weeks at each stock-taking, nor unless at least two weeks' previous written notice of the date of the stock-taking has been given by the occupier of the wholesale warehouse to the Inspector. "(7.) Every person who is employed during such extended hours under the last preceding subsection shall be paid therefor at half as much again as the ordinary rate, but the over- time rate shall not be less than one shilling per hour, and shall be paid at the first regular pay-day thereafter." The Hon. Mr. BOLT moved, That the clause be struck out. The Committee divided on the question. "That subsection (1) be a subsection of the Bill." AYES, 7. Tomoana Feldwick Rigg Walker, W. C. Harris Swanson Kelly, T. NOES, 9. Shrimski Louisson Barnicoat Smith, A. L. Ormond Bolt Pinkerton Williams. Jenkinson

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PAIR. For. Against. Reeves. Jennings. Majority against, 2. Subsection struck out, and remaining subsections of clause 26 struck out. New clause 2A .- " All shops shall be closed not later than six o'clock in the evening on four working-days in each week, and not later than one o'clock in the afternoon on the statutory closing-day, and shall remain closed during the rest of the day." The Hon Mr. SHRIMSKI moved, That the Chairman leave the chair. The Council divided. AYES, 3. Shrimski. Pinkerton Ormond NOES, 13. Smith, A. L. Jones Barnicoat Kelly, T. Swanson Bolt Feldwick Louisson Tomoana Walker, W. C. Harris Rigg Jenkinson Majority against, 10. Motion negatived. The Hon. Mr. SHRIMSKI moved, That the clause be struck out. The Committee divided on the question, "That the words proposed to be struck out stand part of the Bill." AYES, 13. Kelly, T. Barnicoat Smith, A. L. Louisson Swanson Bolt Pinkerton Tomoana Feldwick Walker, W. C. Jenkinson Rigg. Jones NOES, 3. Shrimski. Ormond Harris Majority for, 10. Motion negatived. The Hon. Mr. JENKINSON moved to add the following proviso: "Provided that the provisions of this section shall not apply to shops outside a combined district." The Committee divided. AYES, 10. Smith, A. L. Barnicoat Jones Ormond Swanson Bolt Pinkerton Harris Williams. Jenkinson NOES, 6. Feldwick Louisson Tomoana Walker, W. C. Kelly, T. Rigg Majority for, 4. Proviso agreed to. New clause 22A .- " Payment of wages or salaries shall be made in full at weekly or other intervals as agreed on, being in no case longer than fortnightly intervals." The Hon. Mr. LOUISSON moved to strike out "fortnightly " and insert " monthly." The Council divided on the question, "That | Bill or the Financial Statement. I mean the the clause be added to the Bill." AYES, 6. Bolt Jenkinson Swanson Walker, W. C. Harris Rigg NOES, 6. Barnicoat Louisson Pinkerton Feldwick Ormond Smith, A. L. The CHAIRMAN gave his casting-vote with the " Aves." New clause agreed to. The Hon. Mr. JENKINSON moved the following new clause :- "No female assistant shall be employed in any hotel bar between the hours of nine o'clock in the evening and nine o'clock in the morning." The Committee divided. AYES, 7. Bolt Rigg Swanson Harris Smith, A. L. Walker, W. C. Jenkinson NOES, 6. Barnicoat Louisson Pinkerton Feldwick Ormond Reeves Majority for, 1. New clause agreed to. Progress reported. The Council adjourned at ten minutes past eleven o'clock p.m. till Wednesday, 4th September. HOUSE OF REPRESENTATIVES. Friday, 23rd August, 1901. First Readings -Third Reading-Imprest Supply Bill (No. 3)-Hospital Nurses Registration Bill - Rotorua Town Council Validation and Extension Bill-Financial Statement. Mr. DEPUTY-SPEAKER took the chair at half-past two o'clock. PRAYERS. FIRST READINGS. Second-hand Dealers Bill, Opium Prohibition Bill, Evidence Bill. THIRD READING. Rhodes Trust Bill. IMPREST SUPPLY BILL (No. 3). A message was received from His Excellency the Governor recommending the House to make provision for salaries. On the question, That the message be referred to the Committee of Supply, Mr. HERRIES (Bay of Plenty) said,-Sir, I think before we go into Committee on this Imprest Supply Bill it is only right to ask

the Government whether they are going, before we pay any salaries, or before we go into the financial debate, to lay on the table of the House two very important statements, without which we can hardly go on with the Imprest Supply Lands Report and the Railways Report. Since

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to the financial debate without having both of these reports on the table of the House. The Lands Report especially is a most important report, and without that we can hardly vote on the Imprest Supply Bill, or on the Financial Statement and estimates. There is no reason why these reports should not have been down before, and I think it is trifling with the House that we should be expected to enter on the financial debate without having the information that every member of the House is entitled to have. The Railways Report is also a most important report, and, considering that we have got to deal with the voting of moneys for the railways, I think on coming to the estimates, and considering the Railway accounts are kept in a different manner from the other Treasury accounts, and considering the Railway accounts are not subject to the Auditor-General, but have a separate audit, I think we are entitled to have the fullest information. Besides these reports, there is a most important parliamentary paper that the Premier has put off from time to time—that is, the paper known as B.-1 and no one can understand the position of the finances of the colony without it. I am not sure that we ought to vote for this Imprest Supply Bill until we have the full account given us about the finances of the country, and that no one can get unless they have the B.-1. return before them. I had hoped that these reports would have been laid on the table of the House, but I regret that neither the Minister for Railways nor the Minister of Lands has thought fit to do so. The Mining Report ought also to have been laid on the table of the House before now, and it seems to me that the House will be lacking in wisdom if the debate is entered on before these three reports and the return B.-1 is laid on the table of the House. There is another matter I wish to draw the attention of the House to—I think I am entitled to speak on any matter of grievance—and that is the question of petitions. These are sent to this House day after day, and are recommended by the Petitions Committee and various other Committees to which they are referred to the consideration of the Government, but then everything seems to be lost sight of. Now, I consider a grievous wrong is being done to the people of this country, and especially to those who petitioned this House. Year after year petitions are sent in. They are considered by various Committees and are recommended for favourable consideration, and yet the Government calmly ignore them, and nothing is done. I think on the present estimates there are only one or two recommendations that have been given effect to, and one of those is on a petition that was sent to the Upper House. It seems to me that is a matter this House should endeavour to attend to and to correct. I think it is the duty of the Government, on receiving the recommendations of the Committee, to try to give effect to those recommendations. Many of these recommendations require legislation, and year after year we see at the latter end of the session—probably in the last week of the session—Mr. Herries introducing down a Bill that is generally known as the "Washing-up Bill." But that Bill is seldom persevered with; and, so far as I can see, the petitioners whose claims are recommended by Committees are in a manner laughed at by the Government. I do not say this Government particularly, because all Governments seem to have a disregard for the feelings of petitioners; but, so far as I can see, during the last two or three sessions this has been particularly bad, and hardly any of the petitions that have been recommended have been given effect to. I trust that by calling public attention to this the Government may see fit, and I trust they will see fit, to give more consideration to the petitions that have been recommended by the various Committees that have sat on them than up to the present they have done. Mr. LANG (Waikato).—I should like to say one or two words in reference to what has been mentioned by the honourable member for the Bay of Plenty respecting the petitions that come before this House. When first I had the honour of a seat in this House I sat for many years as a member of the Public Petitions M to Z Committee. On that Committee we took an enormous amount of time carefully considering petitions. We had the evidence of

both sides, and when the Committee thought a petition was a desirable one, and that the petitioner had a just claim, it was referred to the Government for their favourable consideration. I am speaking of petitions generally now, but I could give particular cases if necessary. I say that out of a large number of the petitions referred to the Government for favourable consideration it was quite the exception for any one of them to receive consideration. So much was that so, that, for my part, I asked that my name should be taken off the Committee, as I looked upon service upon that Committee as being more or less a waste of time, as the Government took no notice whatever of the recommendations of the Committee. Since then there have been many petitions presented to the House in respect of which Committees have made recommendations to the Government for favourable consideration, but those recommendations were altogether ignored. I think it is time that petitioners knew that it is almost useless to petition the House, and to have their petitions considered by a Committee, for in petitioning their time is almost always wasted. They had better petition the Government. When Committees consider a petition they hear all sides, but the Government, when they consider the report on a petition, simply go by what the department has to say, and ignore the other side altogether. I think it is time the public knew how little use it is to petition, as the Government do not seem to be guided in any way by the report of the Committee when brought down. Sir J. G. WARD (Minister for Railways). - I think the question raised by the honourable member for the Bay of Plenty is one that should be fairly answered. The honourable

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member has asked when the Railways and the Lands Reports will be laid on the table. In doing that the honourable member is doing what any member has a right to do, particularly in view of the fact that the financial debate is about to commence. I can assure the honourable gentleman that neither the Railways Report nor the Lands Report has been detained through any want of attention on the part of the Government. On the contrary, both reports are being prepared as rapidly as possible, and we hope within the next week to have the reports ready, and as soon as they are ready they will be laid upon the table of the House. It is not possible for the Government to do impossibilities in connection with these reports. I am anxious that the Railways Report should be placed on the table of the House. I should like it to have been there before now, but it has been found impossible to get it ready sooner. The same is the case with regard to the Lands Report. An Hon. MEMBER .- Why ? Sir J. G. WARD .- The pressure of work has been very great, and, as I have said, the departments cannot do impossibilities. As far as the Railways Report is concerned, it is nearly ready, and as soon as it is available to be placed on the table of the House that will be done, for we wish honourable members to have the fullest information regarding the working railways for their guidance during the course of the debate. I rose chiefly for the purpose of saying that these reports are not being kept back, and that anything the Government can do to hurry them on will be done ; more than that I cannot promise. I would like to point out to the House that, for fully a month before Parliament met here, many of the responsible railway officials were away from Wellington in connection with the visit of the Duke and Duchess of York. Honourable members may not think so, but I can assure them that it was the case : they had to be all over the colony, and away from the seat of Government. An Hon. MEMBER .- What were they doing ? Sir J. G. WARD .- They were doing their duty, as the honourable member knows perfectly well. Take the Railways Department, for instance. The honourable member knows perfectly well that the head of the Railways Department had to accompany the whole of the Royal trains, and that the permanent officer in charge of the construction branch of the department had to specially devote himself to this important branch. Then, the head of the Locomotive Department was also upon all the trains in the colony, and I say that those services took these officials out of Wellington for quite a month before the meeting of Parliament. An Hon. MEMBER .- Fourteen days. Sir J. G. WARD .- Surely the honourable member will see that these officials had to make arrangements before the arrival of the Royal party. Many of the arrangements had to be made previously,

and the responsibility devolved upon them to be ahead of the tour, looking to different things that were required ; and all this took them away from Wellington, and so a certain amount of delay occurred, and was quite unavoidable. That was responsible to some extent for the initial delays in connection with the reports asked for by the honourable member. An Hon. MEMBER .- Does that apply to the Lands Report ? Sir J. G. WARD .- No; it applies specially to the Railways Report ; but the Lands Report, I understand, is about ready, and both reports will be laid upon the table of the House during the course of the financial debate, if we can get them. An Hon. MEMBER .- If ? Sir J. G. WARD .- We will do our best to get them, and cannot do more, and the honourable member could not do more either. Then, with regard to the other matter raised by the honourable member for the Waikato, and also the honourable member for the Bay of Plenty -- the non-dealing with petitions that are recommended by the Petitions Committee--I should have thought the experience of those honourable members would have led them to realise that these petitions never are dealt with by any Government until preparations for the supplementary estimates are being made. Well, the desire of the Government is to do what is right and just both to petitioners and to the colony in the matter of petitions ; and there is undeniably a great deal of careful analysis and care required in dealing with petitions, which care the Government has to exercise in the interests of the country. With respect to some of the petitions sent by Committees, I am sorry to say the desire is apparently to do what they consider very generous actions, and in some cases the Government has to be a buffer for the purpose of standing between the petitioner and the country. It is the Government that is held responsible. With Committees there is a disposition occasionally, when a pathetic case comes before them, to pass the claims to the Government with a strong recommendation, suggesting that many hundreds or thousands of pounds should be given. Then the duty devolves upon the Government of going through the claim in a colder and a calmer way for the purpose of ascertaining what is the actual position, and to see whether the claim is a legitimate one for which the colony is justly responsible, and, if so, to decide upon the amount that should be placed upon the supplementary estimates. I have now before my mind one or two cases where, I am sure, if the members who formed the Committees had had the responsibility of the Administration of the day, and if such recommendations came to them, they could not conscientiously, in accordance with what they deem to be right, give effect to them, and ask the country to provide the money in order to make what in reality would be a present of the taxpayers' money to people who have been unfortunate. Where the line has to be drawn is between what one may term the responsibility of the country in some cases to pay large sums to people who have been unfortunate ; and if one

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only we should give immediate and favourable replies in every case. One's sympathies are always with those who have or are suffering ; but we are here to do our duty, and that is what we try to do. Take the instance of the fire petitions ; it would mean placing large sums of money not upon the particular department honourable members imagine ought to make provision, but it would mean placing a very large sum on the consolidated estimates and providing it out of the consolidated revenue, and asking the people of the colony to make provision for the unfortunate position of the petitioners, even though no want of proper care or safeguarding on the part of the Railway Department has been shown to have existed. Yet the Government are asked to provide many hundreds and thousands of pounds, and, I say, if the honourable members who form these Committees had the responsibility thrown on them as the Ministers have-to carefully review the recommendations-they would have to do what the Government endeavours to do to the best of their ability-to go through them, discarding ordinary motives of sympathy, and do what they believe to be just and right. And because the honourable member has not been able to get his way in relation to some petition, he makes the intimation to the House that he proposes to resign his seat on a Committee. Mr. LANG .- No; that I have done so. Sir J. G. WARD .- Well, that is not the way to effect

reforms. If the recommendation of a Petitions Committee is being improperly set aside, the right way would be for the honourable member to stick to his position on the Committee, and keep on making representations, and pointing out the want of proper attention on the part of the Administration ; and I can assure the honourable member no member of this House would have more courtesy extended to his recommendations or views than the honourable member for Waikato. am sorry to see he is running away from what it is right for him to do, and I would recommend him to reconsider his position, and if any case is not rightly attended to, by representations -- by correspondence with the Minister in charge of the particular department that the petition should come before-he should ask that it should come up before Cabinet for consideration at the right time, before the supplementary estimates are being framed. Honourable members will agree with me when I say that it is the duty of every member of the House, apart from members of the Ministry, to sift with care the many petitions that are sent up to the House for consideration. Some people even believe that if anything untoward happens to them by misfortune or accident they have only to make an appeal by petition to a Committee of the House, and they will get redress, and every consideration will be given to their claim. There has been a great deal too much of it. There is one case where a spark flew into a man's eye, a considerable distance away from the railway-line, and he petitioned the House for compensation, on the ground Sir J. G. Ward and damaged his eye. An Hon. MEMBER .- He got \$50. Sir J. G. WARD .- Yes; he got \$50 upon the strong representation of a Petitions Committee, who recommended that he get \$:00. I do not remember the man's name, but I remember the case. Then, I think after that, some honourable members, prompted by a humane desire to see that this unfortunate man- who had in his affliction the entire sympathy of every one, no matter whether the spark came from an engine or not . received justice, made further strong representations, and urged that the sum be increased by \$100. The Petitions Committee made a strong recommendation about it. The evidence did not justify anything at all being paid. And so it goes on. If a person is riding or driving near a train, if his horse bolts, and anything happens, he immediately petitions the House and expects to receive consideration for himself, his horse, and his dray. You necessarily sympathise with them; but why the Government should be asked to pay for unfortunate accidents-with which State departments have no more to do than if the man were travelling on horseback past a six - storied brick building, and by a convulsion of nature it happened to tumble over and cause his horse to bolt-why they should ask the people of the colony to provide them with monetary consideration for their misfortune I am unable to understand. The petitions with which every year I have had anything to do I know myself are carefully reviewed by more than one Minister, in order that they may be properly dealt with : they are thoroughly sifted, and then brought before the Ministry for the consideration of the whole Cabinet. Time and again, where necessary, they are gone through carefully in this way. When the Government is doing in this what they believe to be in the interests of the colony, fault is found by the member for the Bay of Plenty and the member for Waikato. Instead of having their criticism in a thankless and difficult task, we ought to have their sympathy, support, and co-operation- Mr. HERRIES .- We give you our sympathy. Sir J. G. WARD .- We get that pretty well all round ; except in some cases, where we get the reverse. An Hon. MEMBER. - How about B .- 1 ? Sir J. G. WARD .- B .- 1 will be laid on the table as soon as it is ready, which I have no doubt will be particularly gratifying to my honourable friend. He has already had the assurance of the Government that every effort is being made to have it ready to be laid on the table. I can assure honourable gentlemen that nothing has been left undone by the Government to have the returns from the different departments ready to be laid on the table. It is the easiest thing in the world-I have done it myself often, and I am likely, I suppose, to do it again - to find fault and criticize, and say that particular work should be available at a particular time. Ministers cannot-nor are

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they going to-unnecessarily drive the officials of the departments, who are doing their best to carry out

their duty in this matter. The Government instructions are that the returns are to be ready at the earliest moment in order that they may be presented; and they will be laid upon the table of the House as soon as ever the Government receive them. Mr. R. MCKENZIE (Motueka) .- Sir, I hope the House appreciated the "jobation " which it has just received from the Hon. the Minister for Railways, and I especially hope that honour- able members who render such arduous and faithful services on Select Committees enjoyed the castigation administered to them. In the case of the man who got a spark in his eye-he came from Christchurch-the position was that the Railway Department admitted it was their carelessness, and before he petitioned at all they paid him the \$50 referred to by the Minister. This, however, was one in which there was rea- sonable room for doubting the colony's moral liability, and in which a majority of the mem- bers present at the hearing of the petition gave the petitioner the benefit of the doubt. Another case occurred in Napier, where the Railway Department seem to have a special license for slaughtering people ; they killed four men on a railway-crossing, and maimed two others for life on the same crossing there, and still persist in not appointing a crossing-keeper. The widow of the last man who was killed on the Sale Street crossing, Napier, and who is left with two children in very delicate health, petitioned this session for a compassionate allowance. The Railways Committee recommended this petition to the favourable consideration of the Govern- ment. Members of the Committee considered this unfortunate widow and the orphans equi- tably and morally entitled to have two or three years of the husband's wages. The Minister thought the department should main- tain its legal position. They killed three other people there before this happened, but they happened to be people who were well off, and their relatives made no claim on the colony. Now, Sir, while the department continues its short-sighted policy of saving a crossing-keeper's wages, the private people whom they injure have to suffer. Surely the widow and orphans of the last man killed there should be allowed some- thing from what was saved from a crossing- keeper's wages not having been paid there. Suppose an employé of a private individual was killed, would not his relatives come under the Compensation for Accidents Act? That is another case in point, which I will give the Minister time to digest. Sir, that petition has been reported on. I hope the Government will do justice to this family. Sir J. G. WARD .- We will do what is right. Mr. R. MCKENZIE .- I have no doubt ; but I have my doubts about Cabinet. I do not agree with the honourable member for the Bay of Plenty, because he is to blame to some extent for not getting attention paid to the case of his petitioners. When a petitioner who has a grievance comes to me, and I present the petition for him, I never lose sight of that petition, and I take care to chase after the people who are dealing with it until I obtain redress or proper consideration for it. Until the honourable member adopts the same principle the chances are that his petitioners will never get any redress at all. The members who sit on the Committees, of course, hear the evidence that is tendered in connection with these petitions, and the officers of the departments make reports on the cases ; but, as a matter of fact, I do not think that Ministers ever go through the evidence for themselves at all. They are not present at the Committees to hear the evidence, which is seldom printed, consequently they cannot know anything at all about the merits of the proceedings or the petitions. Now, Sir, coming to the reports, I agree with the honourable member for the Bay of Plenty that in this case it is abso- lutely impossible for the House to intelligently discuss the Financial Statement until those reports are laid on the table of the House. Take the railways, for instance, about which, I am sorry to say, a considerable amount of money has been spent in importing a lot of material. At any rate, we are not able to form an opinion satisfactory to ourselves how the money placed at the disposal of that de- partment is being used until we are placed in possession of the annual report. Then, take the Mines Report. There is a proposal in the Financial Statement to bring in legislation- this session, I suppose-to raise money to esta- blish a State coal-mine, and as soon as we get the Mines Report, and see what the require- ments of the colony are, we can deal with that question intelligently. Then, again, there is the Lands Report. That is a very important report indeed. We are borrowing money for advances to settlers

and for land for settlements every year, and we certainly require to know what is being done with all that money, but until we get this report we cannot obtain that information. I say the House ought to insist on the financial debate being adjourned for another week or a fortnight until the Government can place these reports on the table. The excuse made by the Government that the heads of departments were busy during the Royal visit is no excuse at all ; or, if it is an excuse, it is a very lame one indeed, because there has been a lapse of actually two months since the Duke and Duchess left the City of Wellington. Now, surely during those two months there has been sufficient time to prepare these reports. Then, again, there is that important paper B .- 1. Is there a single member of the House who can satisfactorily deal with the finances of the colony until he gets B .- 1? I undertake to say there is not one ; and we are not likely to get B .- 1 this session. The Railways Report and B .- 1 are matters upon the preparation of which the clerks in the Government offices ought to have been employed long ago, so that they might be ready for the House at the proper time. Sir J. G. WARD .- The Printing Office has been blocked with the report of the Midland Railway Commission.

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Mr. R. MCKENZIE .- The Midland Railway Commission had to go round and examine a great many witnesses, and I venture to say, without egotism, they did their business to the satisfaction of the Government, the debenture-holders, and the country, as far as the scope of the inquiry permitted. Mr. GRAHAM .- They prepared their report in two days. Mr. R. MCKENZIE .- It did not take them very long. I will undertake to say that if the same question had been referred to the Cabinet it would take about six years-in fact, I doubt very much whether they would ever do it at all. Sir J. G. WARD .-- They had the services of a railway officer to prepare it for them. Mr. R. MCKENZIE .- I must give the Railway Department credit for having some very able men. If all the officers in the honourable gentleman's department were like the General Manager, and the late Assistant General Manager, and the late Chief Commissioner of Railways, it would be better managed than it is, and the taxpayers would be getting better value for their money than they are getting at the present time. I do not wish to detain the House in connection with this matter, but at the same time I do not see my way clear to discuss the Financial Statement at all until we get the reports that I have mentioned. If any member brings forward a motion to postpone the debate, I shall certainly feel inclined to vote in favour of the debate being delayed until these reports are laid on the table. Mr. J. ALLEN (Bruce) .- The Minister brushed away in a very light and airy manner the fact that these reports are not laid on the table of the House up to the present date. Now, Sir, I think it is about time the House did make up its mind as to whether the Public Accounts of the colony are to be prepared in time to be of value to members in discussing the finances of the colony. The fact is plain to everybody that the B .- 1 paper, which contains the Public Accounts of the colony, will be brought down so late that it will be practically useless for the purposes of the financial debate. Take, for instance, last year : the Public Accounts of the colony were laid on the table on the 3rd October. By that time Parliament was very nearly over ; and I take it that the Public Accounts this year will be brought down so late as to be useless. Now, with respect to these other papers, the Minister for Railways has referred to the Railways Report, and he states that the reason why that report is not down yet is that the railway officials were busily employed at the time of the visit of the Duke and Duchess. Well, the Duke of York was only here in New Zealand for a few days. The preparations for his visit may have taken a fortnight of the time of the railway officials ; I do not suppose they would take more; and the whole time of the railway officials could not have been longer than three weeks. Therefore there is no reason why the report itself should be very much later this year than it was last year. Last year the Railways Report was brought down on the 17th August, and I do not myself see that the excuse the Minister for Railways has urged is any real excuse at all, because the Duke of York did not come here until nearly the end of June. Now, why was not this report ready and in the hands of the Printer before the Duke of York came here at all?

Our accounts for the year end on the 31st March, and that report could have been prepared, and along with the B.-1 paper, placed in the hands of the Printer before the House met. Then, the honourable gentleman urged that the Government Printing Office is blocked, and the reason why we cannot get these reports is because the Printing Office is so blocked. Now, Sir, why is it blocked? If these papers and reports had been in the hands of the Printer before Parliament met that block would have been avoided. I have never known a session in which returns ordered by the House are so long in being placed on the table as is the case this year. I do not know the reason for that, and I cannot understand the reason for it. With respect to the printing of these reports of the Mines, Railways, and Lands Departments, I maintain they ought to have been prepared and placed in the hands of the Printer, and actually printed, before Parliament met, and I do not see why they should not have been; and I again assert that the block at the Printing Office, which is assigned to-day as the excuse for these reports and papers not being ready, would have been avoided had the course I indicate been followed. With respect to the Lands Report and the Railways Report, and the Mines Report, I myself have been going through the Financial Statement, and I have come to this conclusion-and I wish, Sir, to make it public: that I take it to be absolutely impossible and unwise for any member to discuss any question with respect to the railways or the lands in the financial debate without having had the opportunity of going through these reports. I shall myself refuse to discuss any questions dealing with lands or railways until we have got these two reports laid on the table. Other members may make an effort to discuss them without having these reports laid on the table. I do not see how they can, and especially how they can bring themselves up to date unless these two reports are on the table. Last year the Lands Report was laid on the table on the 7th August. Now, why is it not on the table on the 7th August this year? It cannot be the excuse in respect to the Lands Statement that the officials of the Lands Department looked after the Duke of York and his visit; and I see no reason at all why the Lands Report has not been laid on the table even earlier this session than it was last. Then, Sir, with regard to the Mines Report, that report was laid on the table last year on the 31st July, and we have no statement of the Mines Department now on the 23rd August, twenty-three days later than last year-and last year the presentation was surely late enough. Nor is there any reason that the excuse should be urged in respect to the Mines Report that the officials were engaged

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any other visit. And, Sir, I take it that the Mines Report, and all these other reports, should have been in the hands of the Printer and printed before Parliament met at all, and we might have had them on the first day of session. Now, coming back to B.-1, the Public Accounts of the colony, we have heard before that the reason why the Public Accounts of the colony are not laid on the table was because the Government had to await certain communications from the Agent-General in respect to the finances from London. Now, these communications, I think, on previous occasions never took more than six or eight weeks. They require these six or eight weeks in which to complete the information they require from London, there is no reason why B.-1, the Public Accounts of the colony, should not have been printed by the end of June: and I undertake to say that, if the Premier will form a Commission of inquiry-he is so fond of Commissions-to go down to the public offices and to see how long the B.-1 Public Accounts of the colony in manuscript have been ready for the Printer, we will then see--Mr. SEDDON.-Will you go on the Commission? Mr. J. ALLEN.-Yes; I will go on the Commission if you will appoint me. Mr. SEDDON.-You are asking for a billet. Mr. J. ALLEN.-I do not want any pay for it, or even \$40. Sir, I take it that if we could have a Commission of inquiry into the position of the B.-1 paper we should find it had been ready for the Printer for some time, and that we might have had it for some time. I do not know whether it is done deliberately until the financial debate is over, but it looks very like it. These were the four papers that have been referred to. There is one other which I think ought to have been laid on the table, and I refer to the Post and Telegraph Report. It was laid on the table last year on

the 17th August. I suppose the same excuse will be made that the officials of the Post and Telegraph Department were engaged in connection with the visit of the Duke of York. It seems to me that the visit of the Duke of York is accountable for every ill that has happened to the colony this year ; and, if this is to be so, on any future occasion I trust we shall make some special preparations for the visit of any other Duke and Duchess, so that the proper business of Parliament may not be unnecessarily delayed. I see no reason why the report of the Post and Telegraph Department should not have been laid on the table on the first day of the session. All the details required are in the hands of the officials, and might have been in the hands of the Printer before Parliament met. Mr. G. W. RUSSELL (Riccarrton) .- Sir, I am pleased to hear the remarks of honourable members protesting against the action of the Premier in forcing on the financial debate without these very important documents, especially the Railways Statement, the Lands Statement, and Mines Statement. Now, Sir, VOL. CXVII .- 39. Minister for Railways just now stated that the Statement could not be prepared because the head officers of that department were engaged in connection with matters arising out of the visit of their Royal Highnesses the Duke and Duchess of York. Sir, how much of the compilation of that statement-for, after all, it is only a compilation -- depends upon the personal services and labour of the head officers of the department ? Why, Sir, the only part that is written by the General Manager may almost invariably be stated to occupy not more than two folio pages of the report. It is the duty of the subordinate officers, of course, to prepare the returns, and it is these returns which members of this House ask for, in order that they may be able to estimate fairly the position of the railways. I agree with what is stated by the member for Bruce. I have been looking through the figures relating to the railways in the Financial Statement. But the Railways Department audits its own accounts. It has supreme control of its own finance, and positively the only place where honourable members can obtain any information in connection with the railways expenditure is found in the half-page of the estimates at the end of the Working Railways Account. We are asked to accept blindly the whole of the railway figures without having any document whatever placed in our hands by which to test the accuracy of the Railway Department's figures. Now, Sir, there is another very important point. Some weeks ago the Minister for Railways, in answer to a question by myself, stated that he intended to include in the Railways Statement this year a return showing the amount that was provided by the different Government departments towards the Railways revenue. The honourable gentleman gave that assurance ; and I venture to say, Sir, that the revenue that has been received by the Railways Department from the other departments of the public service will constitute a very valuable side-light upon the increase in the revenue that the Railways Department claims to have obtained this year. And how can honourable members accurately gauge whether the railways are earning the sum claimed without having the complete figures? And there is another thing, and it is this: The Railways Department last year received a vote of some \$600,000 for additions to open lines. How can we, without the Railways Statement, ascertain how much of that money is being spent in actual additions to open lines, and how much may have been -- I do not say is - charged to working-expenses for renewal and improvement of the rolling-stock of the railways ? I therefore say it is unfair to the House to ask us to go on with the financial debate without these returns being placed before honourable members. Now, with regard to B .- 1 : The other day, speaking in the House, the Right Hon. the Premier said that B .- 1 could not be provided- Mr. SEDDON .- I object to anything that has taken place in the House being brought up

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member must not transgress that rule. Mr. G. W. RUSSELL .- I will not refer to a previous debate, but I will say that honourable members have understood that the B .- 1 return could not be laid before this House because there is a block in the Treasury and in the Printing Office. Now, Sir, the prevention of this return being laid before the House must rest either in the one place or the other ; it cannot be in both. If the B .- 1 return has been prepared by the Treasury and is complete, then the delay must be the fault of

the Printing Office. If, on the other hand, the return is not completed and has not by the Treasury been handed over to the Printing Office, then the blame must lie with the Treasury. The real fact is this: that if the Government Printing Office is not able-

Sir J. G. WARD .- I did not say the Printing Office was to blame for either the Railway or Postal Reports being delayed. Mr. G. W. RUSSELL .- I know you did not. If I had been allowed to complete what I wished to say, I would have stated to the House that the Premier said so; but I was not allowed to state that. An Hon. MEMBER .- Why do you 3.30. state it now? Mr. G. W. RUSSELL .- Because I want to get it into Hansard. However, what I was going to ask was this: Why is not the Government Printing Office brought up to date so far as appliances are concerned in connection with the getting out the work of the colony? Why are there no linotypes, or monolines, or any of the other modern type-setting machines placed there for the purpose of facilitating the work? I am sure that if the Minister for Railways were to conduct his department on the anti- quated methods that the Government Printing Office is conducted on at the present time, he would never get through the work that is placed on the department : and it is as absurd to say that the Government Printing Office should not be equipped with up-to-date machinery for the purpose of facilitating the work of the country as it would be to say that you are going to run the railways with the antiquated engines of ten or fifteen years ago. I think, myself, it is utterly useless in connection with the financial debate to refer to matters regarding the railways except in the most general and indirect manner. The same remark applies to the lands. Here is the great Department of Lands employing thousands of men in connection with roadwork. What opportunity have we of discussing its finances? None whatever. I consider the Government are acting most unfairly in preventing these returns being laid on the table while forcing on the financial debate.

Mr. MASSEY (Franklin) .- Sir, like other honourable members who have spoken, I regretted to hear the unsatisfactory nature of the replies from the Ministerial benches with regard to the parliamentary papers that have been asked for. Of course, so far as the Railways and Lands Departments are concerned, we have had explanations, such as they were. We to the visit of the Duke of Cornwall and York. Well, it seems to me that the visit of the Duke is like charity : it covers a multitude of sins- on the part of Ministers. But we have had no explanation with regard to the placing of the most important document of them all-the B .- 1 parliamentary paper-on the table of the House. Sir, the Right Hon. the Treasurer must know it is quite impossible to do justice 1 to the Financial Statement, the discussion on which commences to-night, without that paper.

Mr. SEDDON .- It is an injustice that has happened not only this year. In all previous years it has not been possible to produce the return in time. Mr. MASSEY. - Well, two wrongs do not make one right, and I think if the House were doing its duty it would adopt the suggestion of the member for Motueka, and refuse to go on with the financial debate until the returns asked for are supplied.

Mr. SEDDON .- I will give you the estimates on Tuesday night, then. Mr. MASSEY .- Our opportunity comes on the first item, and the honourable gentleman knows it. Then, coming to the question of petitions, I thoroughly indorse what has already been said about the treatment given by Ministers to the recommendations of session.l Committees. One honourable gentleman referred to the question of damage to the property of settlers caused through sparks from railway - engines. Several recommendations were made last year by the Railways Committee to recoup settlers for the loss they had suffered ; but I do not suppose that any one of those recommendations was given effect: to by the Ministry. Sir, there were not only the recommendations of the Railways Committee, for I would remind the Minister that his department appointed a Commissioner to inquire into the question of damage to property through sparks from railway-engines. Commissioner travelled from one end of the colony to the other, putting the colony to a lot of expense. I am not blaming the Commissioner ; I believe he did his duty, and did it well. He inquired exhaustively into every case submitted to him. So far as my own district is concerned, I know that in the case of one settler, who had suffered damage through the railway-engines, the Commissioner went out to the farm and saw for himself the damage the fires had

caused ; and in his report he says of one fire that he is of opinion it was caused by the railway-engine, and he recommended that a certain amount by way of compensation should be paid to the settler concerned. Has that 1 compensation been paid ? Not a single silling of it. I am given to understand that when the Minister for Railways was in Auckland on the last occasion he was interviewed by the settler, and he promised that the matter would be re- considered, and that in all probability a sum would be placed on the estimates to give effect to the recommendation of the Commissioner. I hope that is so. If he made a promise I think the amount that is claimed-it is not a large

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amount-will be paid to the gentleman re- | petition of Mr. Reynolds, who got the spark in ferred to. Sir J. G. WARD. - What case was that ? Mr. MASSEY .- I am referring to the case of Mr. James Wallace, of Papatoitoi. Mr. Wallace had twenty-eight fires on his farm in one season, all caused by the railway-engines. Last season being wet, there were no fires. This colony is not the only one in which farmers suffer through railway fires, and I was pleased to notice that last year the Imperial Parliament passed a law making the railway companies liable for damage caused by fires that were started by sparks from the railway-engines. In this colony the Railway Department is, unfor- tunately, not liable, and it is my opinion that until the liability is placed upon them these fires will continue, and that as soon as we make the department responsible the fires will cease. Sir J. G. WARD .- We have the best appli- ances on our engines in the world at the present time. Mr. MASSEY .- That may be, but the fact remains that fires are continually occurring in the dry weather of the summer months. Now I wish to refer to a petition that was considered the other day by the Railways Committee. believe it has been reported on, and therefore I am justified in referring to it. It was a petition by Mrs. Laurie, of Newmarket, Auckland, who prayed for a compassionate allowance on account of the death of her husband, who a few months ago was killed by an accident. The Railways Department, I believe, have al- ready paid Mrs. Laurie \$50. Now, what would have been the position if it had been the case of a private employer? The private employer would have been liable under the Workers' Compensation Act for the payment of \$400 to the widow. But. unfortunately, the Railways Department is exempt from the operation of that Act, and consequently Mrs. Laurie had to go down on her knees and apply to Parliament for a reasonable compassionate allowance. I hope, Sir, she will not apply in vain. I come back now to the returns. I want to remind the Premier that a num- ber of returns have, on my motion, been ordered by Parliament this session, and so far not one of them has been laid on the table. I will also take this opportunity of reminding the Premier that when the last Imprest Supply Bill was before the House I referred to a return with reference to the travellin (-expenses of Ministers. That return has not yet been laid on the table of the House. I simply wish to remind the Premier of the fact, though I quite recognise that my reminding him of it will have no effect. Mr. SEDDON .- I will give it to you in ten minutes. Mr. MASSEY .- Well, I hope so. At any rate, the fact remains that less information has been supplied to Parliament this session than has ever been supplied to the House in any previous year. Mr. R. MCKENZIE (Motueka) .- Sir, I wish to explain to the House that, in relation to the his eye in Christchurch, the sum of \$50 was granted on a petition, and not by the depart- ment. The Minister for Railways explained the position, and I recollect now that the amount Was recommended by the Railways Committee last session. I at that time had considerable doubt as to the moral obligation of the colony in this case. I thought he ought to have looked after his own eve. Mr. MILLAR (Dunedin City) .- Sir, I desire to say a word or two in connection with some of the returns that should have been presented to the House. Like previous speakers, I am of opinion that it is not fair to ask members to criticize the Financial Statement until the fullest information has been afforded them. Even with that information it is pretty hard to get at what you might call the true position of the finances; and members are now being placed in the position of having to go through that Statement without these very necessary returns to assist them. The result is that they will make certain assertions based on what they

believe to be the true position, and Ministers, having at their disposal the information which is now denied to the House, are able to reply and I show where we have made mistakes. That is not fair. We have now been forced into this position : that the criticism of the Government policy, instead of taking place on the floor of the House will have to take place on the public platform, because it is only after the House adjourns that we shall be placed in possession of all the information that will enable us to come to a true conclusion. Sir J. G. WARD. - So will the Ministers use the platform wherever necessary. Mr. MILLAR .- As for the Ministers' criticism. I have heard Ministers say on the floor of this House, "Give a statement a twenty- four hours start and you cannot overtake it." No man who has a spark of principle in him would allow himself to be misrepresented or put in a false position by Ministers when such position has been created through Ministers withholding information which could and ought to be given to members, who are equally entitled with Ministers to know them. On the 10th July this House ordered that a return should be laid on the table in connection with the San Francisco mail - service. Surely that is not a return that will affect the Government in any way; and, notwithstanding the fact that we have this large question involving a considerable amount of money coming up for discussion, the return has not yet been presented to the House. All that is asked for is information as to what about the cost is to the colony ; and, although the department has had from the 10th July to the 23rd August, the return is not yet available. One day should have been sufficient to obtain the information, for all that is required is a reference to the steamers' manifests. I would ask, Are we to discuss this service without having that return ? Sir J. G. WARD .- You will have a special opportunity of doing that.

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Mr. MILLAR .- The San Francisco service | port being late. It is only reasonable that the is mentioned in the Statement. Mr. SEDDON .- There is no proposal in the Statement ; we said that we would bring down separate proposals. Mr. MILLAR .- Will the return be presented before these proposals come down ? Mr. SEDDON .- Most decidedly. Mr. MILLAR .- If the service is for the good of the colony, by all means let us have the information. As for the return B .- 1, it enables us to ascertain whether the Government has been spending moneys in the way authorised, and, in the absence of it, I do not feel inclined myself to speak on the Financial Statement at all. Mr. SEDDON (Premier) .- The proper time to debate this matter would have been when the next motion to go into Supply was on ; but, to prevent debate when Supply comes on, I would now like to say in reference to B .- 1, about which so much has been said, that the particulars contained in that paper are already before honourable members, but not in the same concise form. It would save them a little trouble if B .- 1 were available- that is all. That being the case, I think a complete answer has been given to the statements made with regard to this return. We have been told that honourable members cannot debate the Financial Statement unless they have B .- 1. If that is so, then there has never been a Financial Statement, excepting one, properly debated in this colony, because it is on record that only on one occasion was B .- 1 on the table of the House before the Financial Statement. Therefore all financial debates in the past have been failures and farces, because B .- 1 was not available to honourable members. So much for the contention on that head. Then, as to the Railway returns, my worthy colleague has said that the visit of their Royal Highnesses the Duke and Duchess of Cornwall and York was to some extent responsible for the delay in presenting it, and there was no doubt that the Midland Railway Commission was more responsible for the delay than anything else. The reason for that is that Mr. Hudson, the man who had more to do with the preparing that statement than any one else, was, up to within a few days of the session, with the Commission. After that he left the colony, and a new man had to take up his work. That is the cause of the delay, and I say that is a reasonable explanation, which no member can gainsay. After all, it is only a week later in being presented than last year's. There is no wish on the part of the Government to withhold it, but we cannot do impossibilities ; the Railways Department is one of the best-managed departments that we have. The

General Manager and the whole of the department are most desirous of giving the fullest information possible, but, owing to the circumstances of Mr. Hudson being with the Midland Railway Commission, some little delay had to take place. His services with that Commission will be admitted to be of good value to the colony, which will more than compensate for that re- incoming Assistant Manager would require some little time to make himself acquainted with his new work before he could complete the return. As regards the Railways Report, it will be on the table of the House before the Railway estimates come up for discussion, and I think that is only fair; but it does not affect finance much, for railway expenditure is practically under classification. The honourable member for Riccarton is always finding mares' nests. He now brings up "A.O.L. - additions to open lines- \$500,000," and wants information about it. Sir, I say that he will have that in the Public Works Statement. It has nothing whatever to do with the question of the general estimates. As regards the Mines return, I can only say, to show the ignorance of some honourable members again, that the report of the Rivers Commission has been lying on the table for weeks. They show great carelessness when they complain about not getting returns which are in their pigeon-holes all the time. Mr. G. W. RUSSELL. - It is the Mines Report we want. Mr. SEDDON. - The Mines Report itself has nothing whatever to do with finance, and the honourable member knows that. It contains reports from the Wardens, showing how the mines are being worked, the returns, and the mining prospects, but from a financial aspect that report is not worth a cup of cold water. Then, as regards the Lands return : As far as it is concerned, there is a very large vote connected with lands, but the principal one will be in the public works estimates, where provision is made for roading. The departmental expenditure in the Lands Department is cut down, because the critical items have gone to the Roads Account and to the Roads Department, so that all that this has got to do with the Financial Statement is to the extent of a few pounds for payments to officers in the Lands Department. That is all that can interest members as far as that is concerned. I was somewhat surprised to hear from the honourable member for R. carton-and here I would like to say that I am not going to pay much attention to his statements in the future-I say I was astomided to find a labour representative finding fanit with the Government because they have not got the linotype and other up-to-date labour- saving appliances. He argued that if we had these machines returns would be available much sooner than they are at present. I was very much surprised to hear a statement like that coming from a gentleman who profeses sympathy with the working-classes. He wants us to get these labour-saving appliances. and thus put many members of the Typographical Society out of work. Coming from that source. the statement has surprised me very much. It is quite true that the Government have not got the linotype in the Government Printing Office. We get along there very well without them. and I prefer to go as we are going, and delay a few days the impatience of honourable members, and find work for men who deserve it. and who do their work well. I am not one of these

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who prefer to make every sacrifice for the sake of saving half a crown. Sir, I do not think there is anything further to reply to. The proper thing to do is to debate the Financial Statement, and not anticipate it by debates on Imprest Supply Bills. I want to say, from information received and from indications that are before me, that I have come to the conclusion that there was nothing that honourable members expected to get hold of in the Financial Statement, and, as honourable members have not been able to discover anything there out of which to make capital against the Government, they say, "Oh, well, in the absence of these papers we cannot debate it." I will take that excuse and accept that apology, and take it as a big compliment to the Government in respect to the Financial Statement. That being the case, I will accept the situation and facilitate business. If honourable members do not wish to debate the Statement let it be postponed, and we will go on with the estimates on Tuesday night. I do not care about the Financial Statement being debated. I consider these set debates are a waste of time, because really

we have to go back to the business of the estimates afterwards. Nothing can be effected by the debate, and there is change of policy. An Hon. MEMBER. - The Opposition have converted you. Mr. SEDDON. - No, I am not converted, because conversion is unnecessary ; but what we have done is to convert the Opposition until they are all Government supporters -- in fact, there is no Opposition. However, I should not be a bit surprised, notwithstanding the position, if there is an attempt made to debate the State- ment. And I want to see it fully debated. have no objection myself. I say that criticism, if fairly directed and if fair in its incidence, is an assistance to any Administration, and it is an assistance to the Government, and it is an assistance to the people of the colony. There- fore I court the fullest investigation and the fullest criticism. I have never hidden any- thing, and never will endeavour to hide or keep back anything ; but if there is further informa- tion wanted I am prepared to give it. I thought to-day there would be an attempt made to make capital, and that some members would say they were not prepared to go on with the financial debate until the returns of Ministers' travelling expenses were given. I knew that point would come up, and I have got it here. Here are the papers, and I am only waiting and panting for an opportunity to place them on the table. Mr. MONK. - I wish you would give me mine. Mr. SEDDON. - The colony offered the honourable member £40, and he took it. Then he had conscientious scruples, and he handed it over to the local bodies. Mr. MONK. - Is the Premier in order in re- ferring to a past debate ? Mr. SEDDON. - I am not referring to a past debate, but am simply giving an answer to the interjection of the honourable member, who asked me to give him his expenses. Mr. MONK. - No ; I said " return." Mr. SEDDON. - The honourable member said, " Give me mine" ; and I said I gave him \$40; and the honourable member would not stick to it, but gave it to the local bodies, and they in turn would, if the money was paid over to the Charitable Aid Board, get a subsidy of €1 for #1 for it, which was giving £80 instead of \$40. I shall be very careful about giving him another \$40. \\If it is returns he wants, of course, I will give them. What is the return the honourable member wanted ? Mr. MONK. - A return showing the number of petitions last session presented to Parliament. I might say that I have been asked to procure this return, and I think the Premier ought to recognise that whenever inquiries are made of him an answer is expected. We are asked to get certain information, and the people of the colony have no idea how difficult it is to get in- formation out of the Cabinet. Mr. SEDDON. - Then, Sir, I shall have great pleasure in facilitating, as far as I can, the return mentioned by the honourable member. I wish to relieve him of anxiety and from being worried by his constituents. But I want to point out to honourable members that a very large number of returns have been ordered, and work is being delayed because the various staffs in each department are now engaged on the returns, and if members say to the Government, " Very well ; you ought to put on twenty or thirty extra clerks and give us our returns," we will do so. But it means that we must wait until we get the returns done, or else em- ploy extra assistance, and that means extra money to be paid. That would be the case if I we really had to give the returns at once that are ordered by the House this session. We would have to put on twenty or thirty extra clerks. Well, if you want to pay \$60 extra a week well and good, and I will put the matter in hand. A lot of work has been got out already, and the pigeon-holes are getting pretty full. Mr. MONK. - You will not allow me to have the return granted. Mr. SEDDON. - The honourable member has been asking me to give him a return that has never been asked for. That is quite a new light thrown on the matter. I understood the honour- able member was alluding to a return that had been ordered and had not been made. That is a different matter. I only carry out the orders of the House, and do not comply with the wishes of honourable members unless it is the proper thing to do. But my present busi- ness is to get the Supply Bill through, because there are a couple of Bills here that are of im- portance. At all events, the honourable mem- ber for the Bay of Plenty knows that they are of importance. The motion now is to go into Committee on the Bill; and the next motion is to go into Supply. When Supply comes up I hope we shall not have a long debate, and that we shall get on with the work. Motion agreed to. On the motion to go into Committee of Supply,

Mr. FISHER (Wellington City) said, - I beg to move, as an amendment, That, in the opinion of this House, the order given by the Minister in charge of the Government Printing Office, directing the Government Printer not to issue reports of members' speeches from Hansard, is an infringement of the rights and privileges of members of this House. The discussion of this amendment need not take long, and need not impede the passing of the Imprest Supply Bill. It would not have been necessary to interrupt Supply had the honourable gentleman gone on with the notices of motion from day to day in accordance with the Standing Orders. The question involved in the amendment is of great importance to every member of this House, and I may say, without exaggeration, that it is of especial importance to me. The newspapers in this city behave very unfairly to certain members of the House in regard to the reports of public meetings and their comments upon public men.

Mr. SEDDON (Premier). - Sir, I am sorry to interrupt the honourable member, but I am of opinion that this same question is upon the Order Paper.

Mr. DEPUTY-SPEAKER. -- The honourable member cannot move the same motion on going into Supply that is on the Order Paper for a particular day.

Mr. FISHER. - Well, it so happens that it is on the Order Paper for Tuesday next, but it has been on the Order Paper for a month past. What would the Premier recommend me to do?

Mr. HALL-JONES (Minister in Charge of the Printing Office). - The honourable gentleman asks what he should be advised to do. Well, I have not the slightest desire to interfere with the privileges and rights of honourable members, but it seems to me the proper course would be to bring this matter up at the Reporting Debates Committee, take the advice of the Committee on the question, and let the Committee bring down its recommendation to the House.

Mr. PIRANI (Palmerston). - I should like to point out to the Minister that already this session the Government Printing Office has printed one member's speech, which has been circulated.

Mr. HALL-JONES. - I am not aware of it.

Mr. PIRANI. - I happen to be a printer, and, although there is an imprint not of the Government Printing Office but of some other printing-office, the type is the type of the Government Printing Office, and a comparison of the type with the Hansard report will show that it is exactly the same type as is used in Hansard.

Mr. FISHER. - If I saw it I could tell in a minute.

Mr. PIRANI. - Well, it is so; I have not been twenty-seven years in printing-offices without knowing that. It is an extraordinary thing that several members who wished to have their speeches on the Stoke School question printed last year were the first to be blocked by the Government Printing Office from having them printed. Now, there may be something in the argument that the Government Printer is not going to circulate libels, but if he is going to judge whether members' speeches are libellous or not, then let him judge, but not bar every member's speech because some are libellous.

An Hon. MEMBER. - Who is to be the judge?

Mr. PIRANI. - I say the Government Printer ought to be the judge. An ordinary printer has to take the responsibility, and why should not the Government Printer do so? But it is ridiculous to say that members' speeches are libellous as a rule. Nothing of the sort is the case; the libels are exceptional. We know, as a matter of fact, the excuse is that there was a threat of libel against a member of the House if his speech was published; but it was only a threat. Surely, every time the Government Printer is threatened, that is not going to interfere with the whole course of work. That is ridiculous.

Mr. HALL-JONES. -- What speech was circulated?

Mr. PIRANI. - I was nearly "had" yesterday, and I am not going to be caught again. I will tell the honourable member privately, if he wants to know. It has been urged as a reason why this should not be done that members can get their speeches printed privately and circulated. But the Minister must recognise that, by getting the speeches printed by the Government Printer as extracts from Hansard, there is a guarantee that they are extracts, and that nothing has been interpolated; but, if you should get any particular speech printed privately, it does not follow that it is an exact copy of the speech at all.

Mr. FISHER. - I hope it is understood that I am in possession of the Chair.

Mr. DEPUTY-SPEAKER. - That is so.

Mr. HALL-JONES. - Would the honourable member allow me to say to the honourable member for Palmerston that I think

there must be some mistake in what he says ? If it is correct that a speech has been printed in the Government Printing Office since the instructions were given, then the officer who has done that will not long remain connected with the Government Printing Office. I shall be glad to have from the honourable member some further information on the matter. I quite recognise his position in not giving the name to the House, but having made that statement, which will be published in Hansard. I think he should go further and give me any information which will assist me in investigating the matter. I should like to say that I have no feeling on this subject of reprints of members' speeches, but that I recognise that a certain amount of responsibility is cast upon me. If the honourable member does not see his way to bring up the matter before the Reporting Debates Committee, then, if the House approve». let Mr. Speaker say whether or not any particular speeches are or are not to be printed-I will be satisfied ; but if there is to be an officer to act as censor it should not be the Government Printer : the Speaker is the guardian of the privileges of Parliament. Or let the Reporting Debates Committee come to some recommendation and I am prepared to accept it. \--- \-

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I have no feeling in the matter, but would go on in the ordinary way. With regard to the time when the printing of these reports was stopped, I suppose the debates referred to came on immediately after the matter had been first brought under my notice. Well, I think the honourable member will admit that I was right in stopping the printing of speeches when I had high legal authority, no less than that of the late Solicitor-General, Mr. Reid, who advised me as to what the position was. I should not have been justified without some distinct authority in allowing this colony to drift into actions for damages, the cost of which would fall upon the taxpayers of the colony. Mr. PIRANI .- Whose speech was it ? Mr. HALL-JONES .- I shall not say, but I say let the question be decided by the Reporting Debates Committee. Mr. FISHER .- I will answer the honourable member for Avon, who asks whose speech it was my speech. The speech of the Minister for Public Works, who is the Minister in charge of the Printing Office, is what the Americans call "piffle," or "mush." The honourable gentleman has not given one solid reason why the right exercised by members of this House to my knowledge for thirty years past should be taken away from them. As to referring the matter to the Reporting Debates Committee, or to the Speaker, as the member for Palmerston says, why should the speech of a member who delivers a speech on, say, a Local Government Bill be referred to the Speaker, or to the Reporting Debates Committee? It is only in case of an exceptional speech. I suppose my speeches would be regarded as exceptional speeches which would have to be referred to the Speaker or the Committee. They are too strong in fibre -the pabulum is too strong-for members like the honourable member for Avon. They are not made for men of his physique. But why has the Government taken from the members of this House the right to have their speeches printed at the Government Printing Office from the Hansard type? Here is the ridiculous suggestion of the Minister for Public Works. It is his pet way out of the difficulty. According to the opinion of his lawyer, who he now tells us for the first time is the late Solicitor-General, it is not libellous if you print, not your own speech, but the whole number of Hansard. Now. I hold in my hand one number of Hansard, containing 122 pages. I have, say, a speech which occupies eight pages in that number. I want ten thousand copies of those eight pages only, and I am to print the entire number, containing 122 pages, with the whole of the proceedings of the Legislative Council as well as those of the House, in order that my constituents may get those eight pages. Mr. SEDDON (Premier) .- I rise to a point of order. I have already risen to a point of order, and understood you to rule that this could not proceed ; but the honourable gentleman has achieved his object so far. I think, myself, that the House should declare that members' speeches should be printed, and the Government and the department should be absolved from the risk. If the House will do that, I will give the opportunity of carrying the resolution. Mr. T. MACKENZIE (Waihemo) .- Will you support that ? Mr. SEDDON .- Yes. Mr. FISHER .- I will accept that.

Mr. SEDDON .- The honourable gentleman has achieved his object. Let the House pass a resolution to absolve the Government of all liability. I think the Government should be so absolved, and that members' speeches should be printed separately or otherwise as they may desire. Mr. FISHER .- That is all I ask. That is enough for me : I want the privilege of having my speeches printed at the Government Printing Office. It is the only chance I have of getting my speeches printed, and I want to preserve that right. The honourable gentleman in charge of the Printing Department said he could not allow the Government Printer to print them because of the risk of libel. Mr. HALL-JONES. - In accordance with legal opinion. Mr. FISHER .- The honourable gentleman, I understand, received a letter from a lawyer threatening to institute an action for libel. Is that so ? Mr. HALL-JONES .- No. Mr. PIRANI. - It was only a newspaper paragraph. Mr. FISHER .- Is that all ? Well, let me tell the honourable gentleman and the House that I received a letter threatening me with an action for libel in consequence of the printing and publishing of a speech. I tore up the letter and threw it into the waste-paper basket, and I have heard nothing more of the matter since. Yet here is the representative of the Government frightened because he has received a lawyer's letter ; and because he holds a legal opinion on the law of libel every member of the House is to be denied the right to speak to his constituents through the printing of his speeches at the Government Printing Office. Mr. SEDDON .- Oh, it is all right. Mr. FISHER. -- If the Premier, before the session is over, will give the House an opportunity to pass a resolution saying we should have the right to print our speeches, but absolving the Government Printer from responsibility or risk so long as the person who makes the speech accepts the responsibility, that is all I wish. I will take all the responsibility, and as many lawyer's letters as they choose to send along. Mr. SEDDON (Premier) .- I will solve the difficulty at once. I ask my colleague to move a resolution that this House authorises the printing of members' speeches as usual. There is a motion which can be put in two minutes, and the whole thing is done. Mr. HALL - JONES (Minister for Public Works) .- I will move, That, in the opinion of this House, it is desirable that members' speeches should be reprinted as heretofore.

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In doing so I say that I have no feeling in the matter, or no desire to prevent any member's speech from being printed. It is certainly a great convenience, and the only reason for the position I took up was that I was advised on a legal authority of high standing that in certain cases the Government Printer was liable to an action for damages. With a resolution of this House approving of the issue of speeches, I am quite prepared, immediately the House passes the resolution, to give instructions to the Government Printer to print them as before. Mr. BARCLAY (Dunedin City) .- I shall not detain the House more than a minute. I wish to say that, so far as I can judge, the resolution proposed would have no effect on the law ; no resolution of the House can effect the law : any alteration must be by statute. If the Minister chooses to authorise the printing of speeches after the resolution is passed, the liability still remains with the Government and the department. That is not desirable. What ought to be done is that a short Act should be introduced, absolving the Printing Office from liability in the matter, but leaving the responsibility with the author of the speech. Mr. TANNER (Avon). - I entirely dissent from the views of the last speaker. The honourable gentleman-the Minister for Public Works -who introduced the resolution, said something to the effect that it should be accompanied by a declaration absolving the parties from blame : but I was glad to hear when the motion was read that speeches were to be printed as before, leaving matters exactly as they were up to last year. I believe that during thirty years which have passed no real offence has been created by the publication of these speeches. I am not aware of a single action that has ever been brought either against the Minister in charge of the department or the Government Printer, or against any member of the House, in consequence of the printing and circulation of speeches through the medium of the Government Printing Office, nor do I think it likely that anything of the kind may be anticipated. Therefore I shall support the motion as read from the Chair. But I dissent from the proposal

to introduce any legislation on the subject which should absolve any one from the blame which might rightly attach to the publication of any such speech. Mr. G. W. RUSSELL (Riccarton) .- Sir, I entirely agree with the Government in the action they propose to take in permitting the reprinting of the speeches of members in connection with the proceedings in the House. Honourable members will remember that this privilege was always granted until last year, and that that privilege was suddenly withdrawn when a discussion was taking place in the House relating to a particular institution at Nelson. Now, it is no use to beat about the bush. It suited the Premier on that occasion, for some purpose of his own, to try and prevent the dissemination of the speeches of members in regard to that particular institution. Mr. SEDDON .- I had nothing to do with it. Mr. Hall-Jones Mr. G. W. RUSSELL. - The honourable gentleman states he had nothing to do with it. Well, a statement of that kind must be accepted; but, as the honourable gentleman himself said the other night, we should take it cum grano salis, and with a very large grano indeed. Now, I think that these speeches should be set by the linotypes. What possible ground can there be for the Government of this country, in one of its institutions, employing only the mechanical means that have been employed for the last hundred or hundred and fifty years, while there are machines in existence in every office of the country-that is, of any standing -where this class of work can be done for about one-fourth of the cost that the Government are paying ? Mr. HALL-JONES .- They will be wiped out soon by better machines. Mr. G. W. RUSSELL .- That is not the excuse the Premier gives. The Premier's excuse is that the Government Printing Office should be treated as an institution for the purpose of maintaining in employment men who would be thrown on the labour-market but for that circumstance. What is the fact ? Why, that with the linotype type can be set at 4d. per thousand. The Government are paying at the present time 1s. 4d. for exactly the same work. That is the position. Then when a member, representing the general interests of the colony, and desiring to see economy practised, advocates reform and economy in a matter of this kind, the Premier will get up directly and make another characteristic speech denouncing him for wanting to throw these men out of employment. Sir, I venture to say that it was an unconstitutional act on the part of the Government to withdraw the privilege from members of the House a year ago of having their speeches reprinted, and now they come down and say they are going to give us that privilege again. If they took it away a year or so back for sound and valid reasons. why are they going to give it back to us now ? And if they can give it back to members now, why did they withdraw that right twelve months ago? Has the law of libel been altered? I know of no alteration. Has there been any alteration in connection with the responsibility of the Government and the responsibility of the Government Printer now as compared with what it was a year ago ? Certainly not. The Government have simply performed the usual "jump Jim Crow" business, taking away this right last year, and, without any change in the conditions, giving it back again. As for the remarks of the honourable member for Dunedin City (Mr. Barclay), who has dwelt on the aspect of the libel law, they are to be taken as the remarks of a person who has very little practical knowledge of the subject on which he presumed to lecture the House. He insists on every possible occasion on airing opinions on law which have no force whatever, and, in fact, they are the subject of absolute ridicule in this House. That is the position the honourable gentleman occupies, and therefore any statements he may make have simply to be disregarded, even on \-

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the question with respect to which he is supposed to be an expert-namely, law. Mr. HOGG (Masterton) .- I think the question that has been raised this afternoon is a somewhat important one. Notwithstanding the abuse which has just been levelled by the honourable member for Riccarton at my colleague Mr. Barclay, the honourable member for Dunedin City, the fact remains that he is always ready to give the House the benefit of his opinion as an expert on constitutional law and practice. The suggestion he has made will be of value if it enables us to avoid bringing Parliament into disrepute, and perhaps involving

the country in a considerable amount of expense. I assume that it is the duty of this House to protect the country against running the risk of actions of law for heavy damages. What has the member for Riccarton just been doing ? For the second time this afternoon he is figuring conspicuously as the advocate of cheap labour. What compassion has he for the workers in the Government Printing Office, some of whom for many years have done valuable service for the colony-men who are probably his equal in intelligence and in every other respect ? His advice is that these men, most of them with families depending on them, should be turned out of their employment at once, simply because certain machinery has been invented by means of which their labour may be superseded. Is that protecting the labouring-classes of this country? I have no doubt, Sir, when he appears on the platform he is addicted to telling the working-men that he admires them, and that he has their interests and prosperity at heart. Now, Sir, what are the Government doing by maintaining these men in their positions and refusing to introduce the linotype? Simply what considerate employers would do under similar circumstances. We have, I believe, men in the printing trade now that have the means and the opportunity of introducing the linotype, but who decline to do so out of consideration for the men who have so long been employed under them. You cannot blame any employer for taking advantage of improved machinery, and endeavouring to get his work done as cheaply as possible ; but I admire the employer who, before he introduces labour - saving machinery into his office, endeavours to minimise suffering by finding employment for the hands who are to be displaced, or allows them by a natural and inevitable process to disappear. But the honourable gentleman wants to clear them out at very short notice. He suggests that working men should be suddenly and arbitrarily deprived of their employment because machinery has been discovered by which their labour can be superseded. I trust there are few gentlemen in this House who have not a little more ordinary consideration for their fellows. Travelling from this subject to perhaps an equally important aspect of the matter we are debating, we know very well how members are privileged in this House. Under cover of this privilege do we not occasionally find certain members making statements regarding their fellow-men that they would hardly venture to make on the platform or outside this House? We have not carried that freedom of privilege so far or abused it to such an extent as they have in other colonies, where most objectionable language is sometimes used. Still, utterances of a most libellous and defamatory kind can be used in this House, and the member who takes that course is protected from the consequences. Now, are such statements to be circulated through the medium of the Government Printing Office throughout the colony? If they are to be circulated in this way, and the Government Printer is no longer a free agent, in what position will the colony be placed ? With the involuntary assistance of the Government Printer, any person may be libelled and traduced by any member of this House. Now and again an unscrupulous individual may manage to find his way to this Chamber, and if the Government Printer is compelled to circulate his utterances what is likely to happen ? If the persons libelled seek their remedy at law we know what almost invariably happens. When the party prosecuted is the Government Printer, or the Government of the country, or any corporation that is supposed to represent wealth, they generally come off second best. If damages are awarded they are made to suffer heavily. Will the transgressor be made to suffer? No ; it is the country and the general body of taxpayers. Before we deal finally with this question we must remember that it is not the Government Printer whose interests are chiefly at stake, but the interests of the country, and of the people who have to find the money. The honourable member for Dunedin City was perfectly right in submitting that, before seeking a privilege of the kind, and throwing on the Government Printer the responsibility of printing the libellous statements that may be made in the House, we ought to provide that the Government Printer shall not be responsible for the utterances he may have to print. We ought to see that the country is protected in this matter, and that the taxpayers are not compelled to pay heavy damages. Mr. T. MACKENZIE (Waihemo) .- 4.30. The honourable gentleman has. I think, taken a rather personal view of the matter. He enjoys a privilege which

the honourable member for Wellington City does not enjoy. He has a newspaper of his own, in which he can circulate all his speeches. Mr. HOGG .- No. Mr. T. MACKENZIE .- There is a newspaper to which the honourable gentleman can send all his speeches, and so is able to reach his constituents, and I say that is a very important matter. That is why he can pose in the House as a man who does not require this convenience. But there are members in this House who have not such means of reaching their constituents ; and it is not to be expected that newspapers have the space to grant members, and give them that full information regarding their public actions

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that members desire and that the constituents would like to see. I therefore think it is of the first importance that members should enjoy, by paying for it, the privilege of obtaining copies of their speeches and circulating them throughout the districts. I think the more their constituents know of the work of a member the better they are able to gauge him, whether he is doing right or whether he is doing wrong, and the report then is not liable to party newspaper colourings. A peculiar attempt is now being made in this country to create a feeling that Parliament is not the proper place to air abuses -- that a man must be prepared to go outside Parliament, and state outside Parliament what he considers necessary, when he exposes matters in the interests of the public. Now, that is contrary to all established precedent. I maintain that Parliament is the platform from which the grievances of the country should be made known, and unless we enjoy and preserve that privilege and fully exercise it, then, I say, good-bye to the liberty and freedom and advancement of the privileges of the people of the country. The honourable member for Wellington City states that he has threats of libel. Why, since I was returned to this House last year I have had threats of no less than six libel actions. But, Sir, the singular thing in connection with these is that there have been publications outside the House made by me precisely similar to what I made inside : but the people content themselves with threats. They want, by threatening, to give people the impression they are right, and thus they hope to satisfy the public in a measure : but they have no case to go on with, and they know it. But even assuming they had a case to go on with, because " the greater the truth the greater the libel," does it follow that if a member of this House, in his conscientious endeavours to serve the best interests of his country, makes a statement which may bring him within the scope of some moneyed institution, he should expose himself and his family and his means to an attack in this manner ? Is the object of his statement the injury of individuals or the benefit of the wider interests of the whole colony ? If it is for the benefit of the whole colony, and not for the injury of individuals - although individuals may be an incident in the situation, and may suffer, the latter is not his object - I say if his object is the welfare of the community, then the House of Parliament is the place to state the grievance. Sir, I wish now to refer to the trouble in connection with the Dunedin Hospital. We have the Trustees of that institution declaring that it is unbecoming of a member of Parliament, from his position in Parliament, to make a statement regarding the management of the Dunedin Hospital. Sir, I have just this moment received a letter from Dunedin thanking me for having had the courage to make the statement detailing the neglect. It is all very well for honourable members always to try and run smoothly with the tide, but, if an honourable member knows within his own experience that certain ill-treatment has occurred towards a poor patient in one Mr. T. Mackenzie of our hospitals, it is his duty to fearlessly make that statement on the floor of this House, in order that that institution may rectify the errors it does not necessarily that may have arisen. I follow that the institution is badly managed. but these ills must be pointed out. And in connection with this, Sir, we have the Chairman and authorities of that Hospital declaring that he and they can give to the whole statement what he calls a circumstantial and direct denial. Why, how can the Chairman of that institution give a direct denial to an incident he did not witness ? And, if he does give a direct denial, does he think that his word will be taken before mine by the people of Otago and the people of New Zealand ? He will find my public record is too well known for that. Can he show that I had any

personal interest in making known the sufferings of my friend John Mackenzie, who was injured there through not being afforded on a certain occasion the conveniences which he ought to have had? The mere statement of denial will never alter the fact, and never delete from the public mind the statement that I say that man suffered there, and he had not that which he ought to have had within his reach. That is the point. And let me say too, I have been told that this is a matter which should have been brought before the Trustees themselves. I explained to this House that I promised this dying man that until after his death the matter would not be brought out. And, Sir, before he died I was on the Teachers' Commission. But let me say in this connection that there was under the same department in the North Island something very serious going on, and I did appeal to the department, and the department denied the existence of it ; and it was not until I brought this matter before this House that the department then acknowledged what I said was absolutely true. And if matters are brought on the floor of this House as they ought to be they have got a marvellous effect. A deliverance from the Parliament of New Zealand matis Bumbledom sit up. It makes these men recognise that there is a voice which can be heard, and it reaches to every section of the community, and which cannot be resisted, and hence the fever of the Dunedin Hospital Trustees. They now demand what they call a Magisterial inquiry ; and then, as if fearing it will not be granted, they at once say, if this Magisterial inquiry is refused by the Government, they shall themselves apply for a Commission to be set up, with men selected by themselves. I say, let them get a Magisterial inquiry, and I shall be only too glad to go and state what I said in connection with it. Sufficient has already been made clear that the staff nurses and Trustees will stand shoulder to shoulder for the institution against Thomas Mackenzie, but they will get exactly the same plain story told to them before the investigation that I told upon the floor of this House. I have no number of witnesses ; the circumstances are quite plain. I went there and I saw this man suffering, and certain things which ought to have been there were not there. The nurse came along

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and said I should not take notice of what the man said. I pointed out what was required. She said, " The absence arose because the doctor did not like certain things there." I then had to go to an important meeting, and went out of Dunedin next morning, but I wired to a friend of mine to see the doctor in attendance. The doctor in attendance was indignant that he should have been interfered with, and resented the interference. Now, can a continuous circumstantial story like that be upset by the mere denial of the Chairman of the institution, who never was present, and never witnessed it. Mr. ARNOLD .- What about the food ? Mr. T. MACKENZIE .- I did not say any thing about the food in my speech in the House, but I did point out to my friend that I thought this patient ought to get a few more delicacies, and asked him to represent that also to Dr. Macpherson. And let me say too, on behalf of the institution, that after Mr. Roderick McKenzie saw Dr. Macpherson the conditions very materially improved, and I should say that the fear which the patient expressed to me that he would be worse treated if made known was a fear I do not think he was justified in making. One great reason why I have brought this matter up is because of the conduct of the doctor to that dying man. After he was told he was suffering, the doctor went to him and bullied him, and declared he had no right to mention to any man the conditions under which he was placed. Sir, I remember visiting the late Sir John McKenzie, who suffered from a bladder complaint like my friend, and I remember telling him and Lady McKenzie the circumstances, and they said they could feel, and feel deeply, for that unfortunate man, placed in those unfortunate circumstances, and Sir John expressed the hope that I would not let it pass. I say, therefore, that those men who consider first of all that Parliament is not the place to ventilate grievances are endeavouring to infringe upon the rights of Parliament. And it is the duty of members of this House to fearlessly state these things, even if it is unpopular to attack some of these strong institutions. I have shown my friend the member for Dunedin City the notes which I took of the events as they occurred, so that he is perfectly familiar with the case,

and I think he will confess that they are arranged in a manner to indicate that something must have occurred which justified me in writing the notes on that subject and occasion. I say, then, we have a right to come here and explain any abuses. Some people are always threatening libel actions, and I think it is a pity they do not bring them on. They would find they would be frustrated. I have myself been threatened with libel actions for what I have stated in this House with regard to the dishonest practices that are going on in connection with the meat trade. Last year Mr. Weymouth, manager of the Belfast Meat-freezing Works, in Canterbury, said my remarks could not remain unanswered. I stated that his grade for large parcels and the prices of his best brand were not so high as those of another factory, and that was the answer he made. In his letter he states :- " As your statements are being freely canvassed and discussed in Canterbury, you will see that in justice to ourselves we cannot allow them to remain long unanswered, and I trust, therefore, that you will endeavour to supply data as soon as possible." Sir, I have made much more serious charges in this House since; and what reply has he made? After waiting for three or four weeks he puts in the feeblest possible reply. He does not deny one single allegation, but merely states that they are going on grading their meat, and are able to sell the meat on the c.i.f. certificate. Then my friend the member for Ashley attacks the reply that was made by the freezing company, and says in a plain way, " Let us get from you a plain statement of fact. Did Mr. Mackenzie tell the truth regarding the frozen-meat industry, or did he not ? That is what the farmers of the country want to know. We do not want to know whether you are continuing to freeze so many hundreds of thousands of sheep, or whether Mr. Mackenzie has some particular grievance against you. We want to know whether the truth has been told or not." Now, I will tell the House what I have done. I have attacked four or five of the most powerful interests. I have attacked the assessors ; I have attacked the insurance companies, because of their neglect in connection with the trade ; and I have attacked the meat salesmen, the shipping companies, and the grading of the country ; and what the manager of the Belfast Company is no doubt waiting to do is to get a combination of those interests to work up a combined case, and when he gets them dovetailed into one he will try and make a case of it. But I challenge him now to deny the statement I have made when I said that he slumped as many as a thousand sheep together, ranging from 45 lb. to 80 lb., and I challenge him to show that the highest class of his grading will command, regularly, c.i.f. on the London market, as high a price as the highest Eclipse class of grading of the other meat company in Christchurch. These, Sir, are the main facts. I did not expect to talk at any length when I rose. I simply stood up to say that members have a right to have their speeches printed and circulated. Their remarks ought to be circulated throughout their electorates and throughout the colony, in order that the people may know what their representatives are doing. Mr. MEREDITH (Ashley) .- Sir, I desire for a short time to refer to the question of reprinting members' speeches-a question that was brought up by the member for Wellington City (Mr. Fisher). On two previous occasions I brought this matter under the notice of the Government, and did not receive a satisfactory reply. Some of the newspapers of the colony took up the matter and wanted to browbeat me for what I had said. Sir, I consider the action I have taken was in the interests not only of the House, but of the country. Sir, I consider it was an unwarrantable interference with the

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rights of members of the House for the Minister in charge of the Government Printing Office to give instructions to the Government Printer to refuse to reprint members' speeches. I have no controversy with the Government Printer. I am not in conflict in any shape or form with that gentleman ; but it seems strange, as was pointed out by the honourable member for Riccarton this afternoon - indeed, it is a very striking circumstance that, simultaneous with the delivery of speeches of members of this House last session of Parliament on the question of the Private Industrial Schools Bill, and immediately those speeches were printed, instructions should be given to the Government Printer by the Minister for Public

Works that the reprinting of members' speeches was to be discontinued. I had given an order for two or three hundred copies of my own speech. The proprietor of a newspaper in the Pahiatua district called on me and asked me if he could obtain three or four hundred copies of my speech. I said he could—that as long as he paid for them he could have as many as he pleased. Two days later the Government Printer called on me and informed me that he had received instructions from the Minister in charge that he was to no longer reprint members' speeches. The information came on me as a surprise. When the Minister in charge of the Printing Office replied to my question on the subject during the present session he said the privilege had been extended by courtesy to members, and had not been granted for many years. Now we have the statement of the member for Wellington City (Mr. Fisher) that for the past thirty years and more that right had been enjoyed by members of the House. Sir, I am pleased to find that the Minister has acted on the suggestion of the Premier. The Hon. the Premier has grasped the situation. He sees the temper of the House, and knows the House will assert itself in regard to its rights, and I think it is time the House did so. I well recollect that, during the session of 1892, when a very important debate was going on in connection with the second reading of the Land Bill, the speeches of Mr. Ballance, then Premier of the colony, the late Sir John Mckenzie, then Minister of Lands, and the Right Hon. Mr. Seddon, then Minister for Public Works, were compiled, and something like eight or ten thousand copies were issued and circulated from the North Cape to the Bluff. For what purpose, Sir? To educate the public. The newspapers could not find space, even if they were willing, to publish the speeches at length, and, consequently, the only way to educate the public was to reprint the speeches and circulate them. Then, again, honourable members will recollect that only a few years ago a speech was delivered in this House by the late Sir John Mckenzie on the land-for-settlements policy, on which occasion the historic map of the Hororata Estate was embodied in Hansard. Thousands of copies of that speech were printed at the Government printing-works and circulated throughout the Mr. Meredith | length and breadth of the colony. I do not see any reason why the Minister in charge of the printing-works should attempt to prevent the printing of members' speeches. Last session the honourable gentleman did wrong, and now he has endeavoured to make reparation for that wrong by moving the resolution that I feel sure will be carried by the House. Mr. ATKINSON (Wellington City) .- Sir, I wish to say a word with regard to this motion. I do not think the passing of the motion will in any way solve the difficulty. I can speak quite dispassionately on the subject. although I was one of the first to be aggrieved by the order of the Minister in charge of the Printing Office last session, that the privilege should be withdrawn from members of having reprints of their speeches from that office. The member for Dunedin City (Mr. Barclay) has pointed out, in an argument that has been attacked but in no way impeached, that legally the position will not be altered by the passing of this resolution. The legal position will still remain as it is now if this resolution is carried. The Government Printer, and, of course, that is the country—the taxpayer—will still remain liable in any action for damages that may be successfully brought for publishing reprints of any member's speech. That legal liability will not be altered one iota by passing the resolution. Then, is it a fair thing that the Government Printer—that is to say, the country—should undertake any such liability? all? I am not urging for one moment the curtailment of this privilege. I resented it very much that the Minister should suddenly have curtailed it last session, and I still think that the manner in which it was done was highly undesirable, and not at all complimentary to the freedom of this House. I think if he had taken the House into his confidence then, as he has done this afternoon, he could have thrown the responsibility on the House. I resented it then, and I still think the proper course was not taken. The publication of the particular speech referred to this afternoon called attention to a danger and a liability which were not thought of before, for the simple reason that no circumstances had previously arisen to suggest the danger and the liability. To put the matter in the most striking way I can think of, supposing that on account of some private grudge I may have against somebody, whether engaged in the liquor traffic or any other business that might

tend to excite my resentment. I for five or ten minutes indulged in a grossly libellous speech, and supposing I limited myself for the five or ten minutes to an attack on that particular individual, I presume according to the privileges that honourable members of this House enjoy I should be entitled to get a reprint of that speech from the Government Printer. Mr. FISHER .- The same as I did with Henry Wright. Mr. ATKINSON .- I do not desire to make the honourable gentleman a model in this respect. nor was I aware that he gloried in tactics this: no self-respecting member of this House would

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of that kind, is it right that I should be able by republication to make the country liable for damages ? It may be in the public interest that the general privilege of having speeches reprinted should not be curtailed merely because members may now and again abuse it. On the other hand, would it not be a very simple matter to allow the privileges to continue, and at the same time to relieve the (Government Printer and the taxpayer of any liability ? It is a perfectly simple matter, but it cannot be done by a simple resolution. It could, however, be done by a Bill of a couple of clauses; and, although I will not vote against this resolution, because I would prefer to see the privilege continued than to see it taken away altogether ; yet after passing this resolution, removing the responsibility from a member's shoulder and putting it on to the House, I would suggest that it be followed up by a Bill relieving the Government Printer from any responsibility in any action for libel in connection with these reprints. The Printer would then be in the same position with regard to them as in the case of Hansard ; but members, while their remarks in Hansard would be privileged, would not be so protected if extracts were made and circulated. The junior member for Wellington City has stated that he was not anxious to avoid any responsibility in this connection, and it would follow that he has not the slightest wish to mulct the Government Printer or the taxpayer in the case of any action being brought against the Government Printer and the speaker for publication of such extracts. I think the Minister will therefore see that though we may pass his resolution unanimously he will not have settled the question which gave him such a scare last session, and there might be some hope of passing with the same unanimity a Bill to put the question beyond all doubt. and on a just and equitable footing. Amendment, That, in the opinion of this House, it is desirable that separate reprints of honourable members' speeches reported in Hansard may be printed at the Government Printing Office as hitherto. Agreed to. Motion to go into Committee agreed to, and the House went into Committee of Supply. The Bill was read a first and second time. On the motion that the Bill be read a third time, Mr. O'MEARA (Pahiatua) said, There is one item here that I would like an explanation about. It is in the Second Schedule of the Bill, the item \$38,500. Will the Hon. the Minister in charge kindly explain what that amount is for ? Mr. SEDDON (Premier) .- Sir, the figures are the same as in the last Imprest Supply Bill, but this \$33,500 is to meet interest charges on advances to settlers which fall in towards the end of next month. That is the reason why the increase appears here as in the Second Schedule. I think it is only right that the information should be given to honourable members, otherwise they might think, after the schedule had passed through, that it had passed may say the debate on the Bill has been somewhat protracted. An. Hon. MEMBER .- No ; very short. Mr. SEDDON .- Well, the debate on going into Supply so as to get at the Bill was very long, but I have no reason to complain. I do not think there has been anything said that is at all unnecessary, and I hope the position is now satisfactory to all concerned, and I believe it is. The only unpleasant feature-a matter which was to be regretted very much- was a remark made by the honourable member for Riccarton, which I hope, on calm reflection, that honourable member will withdraw. The expression was that those who were employed at the Printing Office were there simply out of charity. I do not think that deserving men, who are honestly earning a living, and who are being paid the ordinary rate of wages, should have such terms applied to them, and applied without the smallest provocation. I think that was entirely wrong. There was no necessity for any reflection of that kind, and the men will naturally feel it, though they are not responsible

that the Government will not introduce the linotypes and other improved appliances. I, at all events, think that the State should not be the first to take the opportunity, when we have no competition to meet, of adopting this means of throwing out of work and upon the world a large body of men. As far as I can see, the finances of the colony do not warrant us in doing that. We have practically no competition, and I say that a comparison of our work will show that it is done as well and as reasonably as the work of any printing firm of the colony. As I have said, the Government decided not to introduce these appliances, and neither the country nor members of the House have called upon us to do so. Because, then, we have not decided to introduce these appliances, is it right that these men should be charged with living upon charity? I hope the honourable member will withdraw the remark, which I think must have been made without due reflection. I move the third reading of the Bill. Bill read a third time. # HOSPITAL NURSES REGISTRATION BILL. On the question, That the amendments in this Bill be agreed to, Mr. HALL-JONES .- When this Bill was in Committee I promised to move for the re-committal, for the purpose of striking out certain words in clause 4, and I therefore move the recommitment of the Bill for the purpose of striking out the words "and unless the matron herself is a certificated nurse." Mr. T. MACKENZIE (Waihemo) .- Sir, on the question of the recommitment of this Bill I want to make a few observations. When the Bill was being read a second time there were certain statements made. For instance, the member for Dunedin City (Mr. Arnold) made this statement regarding myself :-

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"Last session we had what I call a very exaggerated statement with regard to the harbour, and I certainly expected that it would have been taken notice of by the Harbour Board before now ; and not many days ago, in this House, we had a severe statement made by him with regard to the Municipal Council in connection with their management of and the state of the Water of Leith. Such a statement should be treated with the contempt it deserves both by the Council and the members for the city." Then, again, he says, - "I refer to this matter now so that I may in the first place lay emphasis upon the statement made by the member for Waihemo. If it is found that it is not correct, the authorities in Dunedin can note it, and, I hope, cause the member to be more careful in the future." Sir, first of all, in regard to my statements in connection with the Harbour Board : I ask the honourable member, Mr. Arnold, were my statements true ? He gives no reply. He says he hoped the Harbour Board would take notice of them, and then he continues that my statement with regard to the Water of Leith should be treated with the contempt it deserves by members of the House and Councillors. Sir, why should the Harbour Board take notice of my speech and not the City Councillors ? Will the honourable gentleman say that my statement with regard to the Water of Leith was incorrect ? I want the honourable gentleman to reply to that, because if he says that my statement was incorrect I have evidence here to show that the state of the Water of Leith was as I described it, and the Minister for Railways will also bear me out in the statement that I wrote to him complaining that the Water of Leith was in a disgraceful condition, and that he communicated with the Dunedin authorities, and caused the filthy sewers containing offensive matter to be stopped. An Hon. MEMBER. - I should like to ask the honourable gentleman what this has to do with the amendment of the Hospital Nurses Registration Bill ? Mr. T. MACKENZIE .- I am referring to a speech the honourable gentleman delivered on the second reading of the measure, and am replying to remarks delivered on a speech on this Bill. Mr. DEPUTY-SPEAKER .- I do not think that would be in order. The question now is the recommitment of two clauses for specific purposes, and the discussion must be confined to whether those amendments should be put in or not. Mr. T. MACKENZIE. - The reason why I have taken this opportunity is because I wished to reply at the earliest possible time to the honourable gentleman's remarks, but if you rule me out of order I must submit to your ruling. I would point out that the third reading might not come on for three weeks, owing to the financial debate, and that led me to take advantage of the earliest possible opportunity. Bill recommitted. Mr. T. Mackenzie IN COMMITTEE. Clause 4 .- " (1.)

Every person who, on the coming into operation of this Act, holds a certificate of three consecutive years' training as a nurse in a hospital, and proves to the satisfaction of the Registrar that during her training she received systematic instruction in theoretical and practical nursing from the medical officer and matron (the matron herself being a certificated nurse), is entitled to registration on payment of a fee of ten shillings. and on application to the Registrar on or before the thirtieth day of June, one thousand nine hundred and two." Mr. HALL-JONES moved to strike out the words " the matron herself being a certificate nurse." Amendment agreed to. Bill reported. On the question, That the Bill be read ! third time, Mr. T. MACKENZIE (Waihemo) .- I was saving, when I was ruled out of order by the Deputy-Speaker, that I had communicated with the Minister for Railways in connection with the offensive drains in Dunedin which poured into the Water of Leith, and he took the matter in hand and insisted that the nuisance should cease. Mr. Arnold wished to convey the idea that my statements were wrong and that they should be treated with the contempt they deserved. I may say I have as great interests in Dunedin as the honourable member for Dunedin City (Mr. Arnold : and I venture to say it is those who point out the weaknesses in a local body, and assist in reforming them, who are the best friends of the community, so that by removing defects they may improve the condition of the city and its health and beauty. During the passage of the Tramways Bill, by insisting that the beautiful resorts of Dunedin should not be destroyed. I assisted others in endeavouring to preserve the beauty of the place. I consider the man is most patriotic who endeavours to secure the health of the community and the beauty of its surroundings, and his remarks in that direction should be taken in the right light. The honourable gentleman said the Council should take steps to keep me from exaggerating; probably he meant the Council ought to have taken steps to prevent my speaking the truth. thus making things comfortable for them. However, Mr. Arnold will have ample opportunity when I sit down to defend his parish if he wishes. Now, coming back to the question of the Hospital Nurses Bill, in connection with what is now contemplated by the Hospital Board : The Chairman of the Board was interviewed by the representatives of the Otago Daily Times and Star. When he was approached he put on what was called a broad smile, and said " This is one of Mr. Thomas Mackenzie's sensations." But when they went to consider the matter smiles vanished, and it formed the subject of what they call a heated condemnation. They were visibly moved. and poured forth the vials of their wrath on my poor head. They then demanded an investi-

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judicial body had already stated that the whole matter was untrue. It was surely a peculiar attitude for a public body to take up. They settled the case before hearing the other side. They did not even wait for the copy of Hansard to see what my full remarks were on the subject. They demand from the Government an investigation, declaring the whole thing to be untrue, before they ever heard the case stated. They believe in Jedburgh justice if any one dares to touch their institution. I think any one considering the matter will say they did not show that judicial mind they ought to have in this connection. Then, we have the Chairman and members of the Board stating that they have received extensive communications regarding the kindness exhibited by the nurses to the patients. I do not deny that they are kind in many instances-in most instances ; but this proves nothing in regard to the case. I have here a whole batch of letters, which I do not intend to read, which assert that their treatment has been unkind to people in the hospital ; but this proves nothing in connection with my case. I maintain that letters relating to either the kindness or neglect on the part of the nurses have not the slightest influence on the case. It must stand alone on its own merits; and in quoting these one would be quoting what has no bearing on the case whatever. I merely refer to the matter to show that letters come spontaneously from both sides. Then, the Chairman of this body stated that Mr. John Mackenzie, whom he refers to as " this man Mackenzie." was a cantankerous patient. Now, if I had time to quote the obituary notices from the Clutha Leader and the Free Press I could show that he was one of the most kindly and generous of men - one of Nature's

gentlemen ; a Highlander who loved his country, and was kind to every one with whom he came in contact-a man greatly be- loved by all. An Hon. MEMBER .- His name would show that. Mr. T. MACKENZIE. - Yes. I believe the motto of one branch of the Mackenzie family is Amore vice-" Conquered by love." When, therefore, the Chairman declared that he was cantankerous, and a disagreeable patient, he stated what was absolutely incorrect ; and if he wishes a judicial inquiry to take place he had no right to prejudice the case or prejudice the public mind previous to the investigation that was to take place: and. in his calmer moments, when his dignity has been soothed, he will probably admit that. The Dunedin Hospital has had investigations before, and it has been shown that faults can occur there: yet. at the beginning of the matter, no doubt, Mr. Millar was quite pre- pared, as in my case, to give it a direct and circumstantial denial -- I think he was the Chairman then. I refer to the case of a Mr. Cusack, a friend of Mr. Sontag's, who some few years ago entered the Dunedin Hospital with a slight injury to his little finger. As his friends had not heard about him they made and buried. His friends, like myself 7.30. perhaps, were unusually troublesome to the trustees and the doctors. They insisted on knowing what the man had died of, and where he was buried. They were told by one doctor that he had died of blood-poisoning, and by another doctor that he had died of throat disease ; and then, when an investigation took place, it was proved that he had died of neither of these complaints. Then, they put questions for the purpose of knowing where the man was buried, but received evasive answers. His friends, however, still kopt annoying these trustees, and finally they discovered that the man had not been buried at all, but that his body had been sent down to the dissecting and lecture-room at the University. Not only did they state what was incorrect, but their action was an evasion of the Anatomy Act. Now, since the dinner adjournment I have got the Otago Daily Times containing a report of the meeting of these trustees to consider my statement regarding the ill-treatment of my friend John Mackenzie. The Chairman first of all imputes motives -- that my motive must be to damage the institution, and to injure some of the people connected with the institu- tion. Sir, that is an unworthy insinuation. My only motive was to prevent others from suffering similarly. Would it not be much pleasanter on my part to go there and come away and be friendly with every one? But my sense of duty required that I should disclose what went on regarding my friend ; and then, Sir, he declares that I and others took shelter under my parliamentary privilege, and says, " It is only Irishmen that shoot from behind." I should think that an Irishman would not feel very highly complimented by this statement of the worthy Chairman of that Board, because all history proves that there are no more brave or valiant men in the British army or in the British Empire than Irish soldiers. However, that is by the way. Sir, he stated that I did not name the nurse who struck him. If the man had told me the name of the nurse I should have named her ; but it occurred at night, so he told me-I do not vouch for the accuracy of the statement; I simply state what the man told me-but, as the man was groaning, he probably did not know who did it. In that connection a very interesting letter appears by one of the defenders of the institution. He first of all donies that the patient was struck, and then states that, if he was struck, no woman would do that unless he richly deserved it. Then, Sir, regarding the utensils that I said were absent, the Chairman declares that they were always there, and then he goes on to narrate the circumstances of my making some strong statements with regard to the hospital. This is what he says: "This is a public institution, and he would see that the public were better served in it, and that he would see the authorities and make them all 'sit up.' " And then Mr. Carroll, one of the Board, ejaculated. " What check !" Of course, Mr. Carroll should have felt angry that I should

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ness. Now, the point I wish to put clearly is this : If that man had been properly treated, and if the conveniences were there, why should I have kicked up a row, and called the nurse's attention to it, and at once asked my friend to see Mackenzie's doctor? It is fortunate they admit this incident, and they will find a diffi- culty in getting over it. Then, they go on to say, " When the nurse came along, she re- ferred ine to

the hospital doctor." No such thing occurred ; I sent word to the doctor attending the man. The next point in this rather hysterical display that occurred in Dunedin was when the Chairman went on to say that "the nurse and the authorities were not aware I was a member of Parliament." think it is very fortunate that people in office are not always aware when members of Parliament are about. When I was connected with some of my explorations I found some of the most interesting occurrences in all my career, because I was not known in my rough bush clothes. I remember on one occasion going to a railway-station, when I wanted several second-class tickets for some of the men of my party. The stationmaster refused to give me them, and said I should be there five minutes before the train started, and that the stationmaster was not there to suit the convenience of every tramp knocking about the country. In last November, when I was travelling by train from Christchurch, all my goods were put out of the carriage, and in explanation I was told they were not aware I was a member of Parliament, otherwise I might have had a reserved carriage to myself. Therefore members see, one discovers little irregularities when one moves about incog., and when it is not quite known who you are. Then the Chairman of the Hospital Board makes a great point of the fact that I went to see this sick man and took no fruit with me, and did not even spend sixpence on this man. First of all, the statement is incorrect, and if it were correct it could not possibly have any bearing on the case. I do not want to talk about what I have done, but I may say I both sent and took fruit to my friend, which can easily be verified. Then, Sir, he says : "Why did I not go myself to Dr. Macpherson ?" I explained, I rang up and had him communicated with. Then they say, after arranging to take the man away, it was not done, although the house surgeon said he could then have been taken to any part of New Zealand. What an inaccurate statement, The doctor said he was too weak to be removed ; and had he been fit to travel, long before that I had been ready to take him to Rotorua myself, as is well known by John's friends. Then, Sir, I say too, in this connection, that evidently the Hospital Board are working up public sympathy for the nurses. They never mention the doctors perhaps the Cusack case was in their minds-but they talk about an attack being made on the defenceless nurses. Sir, the statements were not made on the nurses alone, but on the institution, and particularly on the doctor who had browbeaten the man Mr. T. Mackenzie should be properly attended to. Sir, for my part I know there are many excellent nurses in that institution. I have already said so in this House. But, Sir, is nothing to be said for the men and women who enter the institution from the back blocks? A great many of the patients who enter the institution are men who come from up-country, and I ask, Is nothing to be said for these patients? Sir, we know these institutions get support from the State to the extent of hundreds of thousands of pounds. and we are, therefore, justified in asking that proper treatment should be meted out to the patients. Then, a member of the Hospital Board, who is also a member of the City Council says I made untrue statements with regards I the actions of the Council, but he does not say to what statements he refers. Now that I have little more time I will quote, Sir, from a letter in my possession, which was referred to previously by the member for Dunedin City (Mr. Arnold). This is my letter to the Hon. M .. Ward : - "MY DEAR WARD,-I congratulate you on your activity in taking stringent measures to check the chances of success to the plague. If you are communicating to the Dunedin City authorities you should insist on that body stopping people from discharging filth into the Water of Leith stream. I am told that the City Council say the Lands Department have control of the stream ; but, whoever are responsible. it should be stopped." The honourable gentleman took up the matter. and succeeded in stopping the nuisance, so that. as far as my statements in that connection are concerned, there is nothing to be said to the contrary. Sir, it has also been stated by other honourable members in this House that they have heard the statements of patients in hospitals who have been treated in very much the same way that John Mackenzie was treated. The member for Masterton can tell us something of the same story. Then, there is a member who comes from the South who has also told me some strong things in connection with hospital treatment. For my part, Sir, I do not wish it to be misunderstood. I consider the hospital is a very excellent

institution. My reason for bringing the matter up publicly is that public attention may be called to it, and that the authorities, who may not know what is going on, should be informed of matters as they really are. They may not have opportunities of knowing, and it is only right they should know of them, so that any evils that exist may be remedied. I have bumped against a few big interests and institutions in my time, and raised many hornets nests, and may do so again. But I feel sure. Sir, that great good will result in many parts of the colony by the matter being ventilated in the House. In conclusion, Sir, I wish to say it has never been my desire to court notoriety by pointing out a matter of this sort : and the Chairman, Mr. Millar, in straining at motives and calling names, was unworthy of himself. As a rule, one brings more public odium than

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favourable report on one's-self, as can easily be seen in this case, but I do not mind that, as vast good will be done by it. I have never, either inside or outside of the House, been afraid to state the truth in connection with any matter, and I venture to say that this Parliament will bear me out in saying that I have always fearlessly exposed any evil, irrespective of what the consequences might be, and will always do so. Bill read a third time. On the question of the title, Mr. HALL-JONES .- Sir, I wish to move to strike out the word "Hospital" in the Short Title, and also in the main title. The reason is, that in clause 4A we make provision for other nurses than those who have had hospital training. Motion agreed to, and Bill passed. ROTORUA TOWN COUNCIL VALIDATION AND EXTENSION BILL. Mr. SEDDON (Premier) said the next order of the day was a Bill to validate the Rotorua Town Council's position. At present the Council was not lawfully constituted, and payments were overdue for some time. It was purely a local Bill, and it would not take more than a few minutes to put it through all its stages. Mr. DUNCAN (Minister of Lands) said that he would like this Bill to be put through all its stages now, as it was a matter of urgency, as the salaries of the staff for the last month were not paid. There was nothing but the legalisation of the acts done by the Town Council, with the exception of the proposal to give power to extend the borough, which had been in contemplation. As it was found that the Council had not been lawfully constituted, the Bill also contained validating powers. The Bill was a short one, and he would ask the House to pass it through all its stages before the Financial debate came on. He moved the second reading. Bill read a second and a third time. # FINANCIAL STATEMENT. On the motion for going into Committee of Supply, Captain RUSSELL (Hawke's Bay). - Mr. Speaker,-Sir, I suppose there will be no dispute upon one point-that is, that when Parliament is asked to discuss the financial position of the colony without any of the returns necessary to a careful examination of those finances, that all those honourable members who, unfortunately, have not the advantage of getting facilities from Ministers in getting knowledge as to the finances of the colony, stand at a very great disadvantage. I am dreadfully conscious myself of the difficulties that I, at any rate, labour under owing to these circumstances. Sir, it is true that the larger amounts connected with the expenditure of the colony are placed before us in the Financial Statement in outline, but we have no opportunity of verifying these figures, and, without doing so, it is difficult to know whether they are VOL. CXVII .- 40. accurate or not. Departmental returns, we all realise, are accurate. The statements of Ministers anxious to make the very best of a bad job are not nearly so reliable as figures which are put before us by departments. We have not the Post Office returns, we have not that financial paper known as B .- 1, nor the Lands Report, and, beyond all, we have not the report of the working railways, so that we are, in connection with the most material points of the administration of the Government, practically in the dark as to what has taken place during the past year. But examining the Statement as I find it, it is difficult to know exactly what importance to attach to it. There is through the whole of it a subdued tone of irony and a very noticeable tone of insincerity. One scarcely can understand what the object of the Premier has been in putting many of the figures and statements into the Budget before us, unless it has been with almost deliberate intent to mislead. Sir, it

has been a theory of the Right Hon. the Premier's for many years that we should "trust the people." But, if one reads his Statement from one end to the other, it will be seen that he has departed very materially from that theory. He has trusted the people very little ; but his practice has been on almost every occasion, and in almost every department, to "bribe the people." That is the key-note of the Statement placed before us. The enormous increase of the public debt, and of the liabilities both of the Consolidated Fund and of the Public Works Fund have caused, and do cause, the very gravest alarm throughout the whole colony. It is true that the Right Hon. the Premier in the Financial Statement says that there is no cause for alarm whatsoever ; that the revenue will balance the expenditure during the coming year, and that there will be a surplus on 31st March. But it is a fact, and I am sorry to say that I believe that it is a necessary fact, that thinking people are greatly alarmed as to the position of the revenue of the colony during the ensuing year ; and if there is one man more than another in the whole colony to whom is due that alarm, which has pervaded the whole of the community, it is the Right. Hon. the Premier himself. In his Financial Statement, in the third paragraph, I think it is, he makes fun of those persons who have been alarmed. He says in the Statement that they have made "financial hotch - potch " of the accounts; and he describes those gentlemen of the Press who have commented upon his own statements as mere " penny-a-liners," and then he continues to make a poor joke at the expense of those merchants of whom he tells us in his own Financial Statement. His words are :- "The credence given to the imagination of the ' penny-a-liner ' should not be found fault with by me, for, with a patriotism that does them infinite credit-which as Colonial Treasurer I very much appreciate-merchants have risen to the occasion, cleared kerosene, sugar, and tea, with the result that the Customs revenue this month is buoyant in the extreme, and contrasts very favourably with the same month of last year."

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Sir, I maintain it was the duty of the Right Hon. the Premier, being Colonial Treasurer, when he became conscious that words of his own had created alarm throughout the colony as to our financial position, to have immediately taken steps to allay the alarm, and that instead of that sneer in his Financial Statement he ought to have seen the trade of the colony was not disturbed simply because he had used words, which, I presume, now he deems to have been ill-considered. Sir, he has led the people to suppose that those persons who have written upon his statement to the deputation mistook altogether what he said ; such, however, was not the case-it was the very reverse of the case ; and here I may say that I have every reason to believe that the report which was published in the Lyttelton Times of the 3rd August, 1901, did actually represent the speech made by the Right Hon. the Premier to the deputation. As published in the Lyttelton Times, it bears within itself intrinsic evidence of its accuracy. And even were that not the case, I, at any rate, believe that a journal which is not an opponent of the Government, and which is so well conducted, would not publish any statement unless the editor had taken trouble to verify the fact that it came from a responsible source. Though the Right Hon. the Premier tells us in his Financial Statement that the "penny-a-liners " have jumbled up the consolidated revenue with the loan account, such was not the case at all. I have here the actual words used by the Hon. the Premier. Mr. SEDDON. Reported to have been used. Captain RUSSELL .- As reported, I should say. Mr. PIRANI .- Reported by the Premier? Mr. SEDDON .- They were not reported by the Premier. Captain RUSSELL .- I have only an hour in which to speak ; please be quiet. Mr. SEDDON .- Well, keep that gentleman behind you quiet. Captain RUSSELL .- Whether this was reported by the Premier himself, as is generally believed, or whether it was reported by some special correspondent of the Lyttelton Times, I do not, of course, profess to know; but I reiterate again that the published report must have been brought under the notice of the Right Hon. the Premier; and if it misrepresented what he did say, it was his duty immediately to make public that it was incorrect, and that there was no cause for alarm. Mr. SEDDON .- The Lyttelton Times corrected itself in a day or two. Captain RUSSELL .- The report says,- " The spending

policy had been increasing at far too rapid a rate, and it was time to go slow once more, or the consequence might be such as he scarcely liked to contemplate." And then the report continues,- "Discussing the ordinary balance-sheet of the colony, the Premier said this also had caused him very much anxiety. For the last financial year they had an excess of receipts over expenditure amounting to half a million ; in framing the estimates for the current year Captain Russell he was unable to make the receipts equal the expenditure. Parliament had made the people large presents by abatements in the Customs and postage, and now it would be necessary to look for more revenue to meet the deficiency. The position must be faced, but it was by no means a pleasant one." Now, that is the statement made by the Right Hon. the Premier, and I regret to say- Mr. SEDDON .- I have told you several times that I never made that statement. You might put it that I have been reported to have made it. Captain RUSSELL .- Then I will 8.0. put it in this way : that the Premier is reported to have made that statement; and I will add to that, he took no trouble to con- tradict it when he read it, which he un- doubtedly would have done if it had not been substantially accurate. Well, now, in examin- ing the figures in the Financial Statement- and one is only able, at least I am only able-to take them in their broadest aspect, I admit the grave apprehension the Premier is reported to have expressed I express without hesitation. To me it seems that the finances are such as to lead every person who has the welfare of the colony and a belief in the virtues of economy at heart, to fear there is serious danger in front of us. And when I come to think what a huge increase in the departmental expenditure is proposed for this year, it seems to me that it would have been better if, instead of making these large increases in departmental expendi- ture, proper caution had been used in framing the estimates to prevent the possibility alluded to by the Premier of, in a short time, there being a necessity for further and increased taxation. The Premier says, and I am now quoting from the Financial Statement, which is not what he is reported to have said, but what he read to the House,-the Premier said this: "When increased taxation is re- quired to meet the ordinary expenditure, so surely will reductions in salaries eventuate." This seems to me to be a most discouraging statement for all the people who are employed It can mean only in the Government service. one thing : that the Premier fears that bad times are coming, and that his policy will be a policy which I maintain is a wrong policy-to reduce the salaries of those in Government employ. That it will be necessary to practise economy I recognise; but the whittling off of small slices of salaries as a national economy. which can have any practical result, is a thing I do not believe in at all. And when we know that in the report of the statement the Premier made to the deputation he said in so many words, " It will be necessary to look for more revenue," it appears to me a warning to the persons whose salaries are going to be increased this year that they will hold them in jeopardy unless their economical administration is such as to insure a balance of revenue over expendi- ture. There is an increase in the departmental expenditure this year of \$280,670. This, in face of the diminishing revenue-a revenue

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admitted by the Premier in his own Statement to be a shrinking one! And it is evidenced by a remarkable falling-off in the Customs revenue for the June quarter, for notwithstanding the fact that this quarter's Customs receipts have been enormously increased by the lavish ex- penditure, consequent upon the visit of their Royal Highnesses the Duke and Duchess of York, there is a diminution in the June quarter's Customs revenue from the correspond- ing quarter of last year of no less than £24,148, which in round numbers is a shrinkage of \$100,000 a year, though the comparison is made in that quarter which, I believe, is less likely to show a shrinkage than any other quarter will be. Because, as we have been told by the Premier in the Statement in two or three different parts, the visit of their Royal High- nesses the Duke and Duchess of York caused a considerable clearance of certain articles, more especially ad valorem articles, which go to swell the revenue. It is true-I have not time to read it - that the right honourable gentleman has endeavoured to mislead - not the House, for, of course, we know better-but to

mislead the country-for it was the country that he was addressing in the Financial Statement-by leading it to suppose that all the large expenditure consequent upon the visit of their Royal Highnesses took place in the last financial year. Sir, he knows full well that their Royal Highnesses did not arrive in this country for more than two months after the close of the last financial year ; and, therefore, the expenditure of the last financial year was in no appreciable degree-and, in fact, one may say, in no degree whatever-increased by the exceptional expenditure consequent upon the Royal visit. I am afraid that the evidence of the shrinkage of the Customs revenue portends a heavier fall than that which is foreshadowed by the Premier in the estimates for the current year. He estimates the decrease in Customs revenue will be \$70,862. I only trust that may be the case, but I am afraid it will be exceeded, though he is bolstering up his expenditure in every possible way, because he wishes still to remain true to his false principle-that is, that to achieve popularity you must bribe the people. Sir, I find this passage in the Statement,- " It must be pleasing to honourable members to know that the elasticity of finance, for which our colony is noted, still continues, and that, notwithstanding the concessions granted last year, our Customs revenue is buoyant, and more than realises expectations. The Customs revenue is the barometer of the spending power of the people, and also of our prosperity, and the indicator points between 'fair ' and ' set fair,' whilst the financial meteorologist announces a blue and cloudless sky." That paragraph is put into the Statement when the Right Hon. the Premier has the salient facts before him of the shrinkage to which I alluded of nearly \$24,148 on one item in one quarter, and that the first quarter of this financial year. Instead of telling us that the sky is blue, and that the meteorologist says that it is cloudless, it would have been better if he had remembered that the meteorologists sometimes say that there is a "wide-spread depression prevailing over all parts of New Zealand "; and that to my mind is a truer way of putting what the weather prophet would say if he had been allowed to say anything as to the question of the buoyancy of our revenue. Well, now having drawn the attention of the House to the dangerous condition of our Customs revenue-and here I would pause to say that the unfortunate facts in connection with the great staple industry of the colony- namely, wool, are such that it is not unreasonable to suppose, unless there is a sharp rise in the value of wool during the next year, a heavy depression will come upon the main industry of the colony such as has not prevailed here in that particular branch of industry since the year 1870. I, as an old farmer, can say with truth, I believe that in no time during all the years I have been engaged in the pursuit have I known prices nearly so low as at the present time; and the result must be a decrease in spending power, and a fall in the Customs revenue. The result must be a hugely diminishing spending power on the part of both the employer and the employed, and with the result that there will be less travelling upon the railways, less money spent on the Customs, less money spent on amusements of every possible kind ; and in all probability, a serious fall may be coming in each particular branch of the revenue. Well, now, let us take another, also an important branch of the Government service - I allude to the railways. And here I would briefly say how unjust it is that we have not been furnished with the details in connection with their management. It is all very well to say that the staff has been engaged in connection with the Royal visit, and that they have not been enabled to prepare returns. I maintain that no such thing really can be believed by any reasonable person. I have heard it stated, and I will not say I disbelieve it, that many of these returns we are now unavailingly asking for, and which it is said it is impossible to prepare from want of time, are at the present time in Ministers' own offices, tied up with blue ribbon, and all ready to lay on the table of the House so soon as the financial debate is finished. The Hon. the Premier may laugh. Well, at any rate, I have heard that upon authority which I believe to be good, and if it is not so it ought to be so. We are now several months past the end of the financial year, and there is no possible reason why every account, and every detail of the administration of the past year, should not have been in the hands of members long before this. But, Sir, there is another misleading statement in the Financial Statement. We are told in so many words, on the

fourth page, that the railway revenue is in excess of the previous year's revenue by £99,028. That is another example of how faith is kept to the ear, but in reality is broken in fact. When the Right Hon. the Premier wrote the paragraph about the excess of revenue from railways over last year of

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£99,028 he must have been endeavouring wilfully to mislead everybody who listened to him, or anybody who might read the Financial Statement, for the very reverse is the case. It is true that the receipts for 1891 did exceed the previous year's receipts by £99,028, but it took ¥105,565 to earn that extra sum ; and an easy sum in subtraction will show that the net revenue from the railways was \$6,537 less this year than it was the year before. And yet through all parts of the colony-and, in all probability, telegraphed home to England-is the assertion made that there was \$99,028 excess of revenue this year. But, Sir, that does not really get to the bottom of the whole matter ; the loss is really very considerably more than the sum I have already named. Of course, one ought to deduct the liabilities on the consolidated estimates for the railways for the present year from the liabilities which were against the railways the preceding year. And here I would pause for one instant to point out how enormously the liabilities have increased, both in the Consolidated Fund and in the Public Works Fund, during the past year. In the year 1900 there were \$74,911 of liabilities, and this year they have grown to \$90,777. If, then, we add the difference, which is \$15,856-liabilities on the consolidated revenue which ought to have been paid on the 31st March, although they were not-members will find there was a deficiency of \$22,403, or rather less profits than there were in the preceding year. But by way of making sure that we are absolutely accurate, and to give the benefit of the doubt to Ministers, I would point out that the difference between the contingent liability in the preceding year, 1899-1900, was £8,742, which reduces the net loss on the working of the railways this year to £13,661. And that does not exhaust the subject, because there has been expended during the past year £717,722 upon railways ; and as the interest on that ¥717,722 has to be met, and as I have shown the receipts from the railways are less than the year before, we have the interest on that sum to add to the loss on working-expenses. It seems to me the loss we are likely to make on our railways is also a matter of very serious importance. Now, I have taken the trouble, in connection with this railway expenditure, to examine the various tables in the Financial Statement dealing with the rate of interest we are paying on our loans, and honourable members no doubt know - but the people generally do not know- how high a rate of interest we are still paying on the major portion of our loans. I find we pay 6 per cent. on £43,675, 5 per cent. on \$530,245, 4 per cent. on \$52,900, and 4 per cent. on \$30,958,280; so that there is at 4 per cent. and at above 4 per cent. a sum of £31,585,100, which is a very serious state of things. At 3 per cent. there is \$334,000, and at 3 per cent. \$10,698,203, making above 3 per cent. a sum of £11,042,203 ; whilst at 3 per cent. there is \$6,148,810, and at 24 per cent. there is \$19,000. Sir, I may be asked what have these figures to do with the management of the railways. Well, none of these loans-I believe I Captain Russell am right in saying so-were floated at par, and so, though we pay interest on the nominal total of our debt, \$49,591,245, we have not received so much money as that, but we pay interest on \$49,591,245 though we have not received it. And of that sum more than three fifths is paying interest at 4 per cent. and above 4 per cent. Of course, the interest is proportionately higher than 4 per cent., seeing, as I have already stated, we have not received in cash the total nominal amount of our indebtedness. Now, in this connection I wish to warn the House - and this is my object-against the present comfortable doctrine that we are to run our railways to yield a profit of 3 per cent. only. The words of the Financial Statement are, "Next year. and with abnormal expenditure eliminated, we hope to grant such concessions as will bring down the net earnings on our railways to 3 per cent." Now, let us examine the facts of the case. The cost of the railways on the 31st March last open for traffic is \$17,207,328; but the liabilities on the 31st March, 1901, are \$447,388: making a total cost on our railways up to the 31st March, in money paid or in liabilities. of £17,654,716. But though that is the

sum set down as the amount which our railways have cost, I think no one will dispute that if the accounts had been kept by any company building railways the sum set down as construction would have been infinitely higher. During all the years they have not paid cost of construction ; during all the years that an attempt was not made even to work them, the interest should have been debited in some way to the capital cost. I think that in reality I am understating the position considerably if I say \--- that the cost of our railways would not stand in any company's books under \$20,000,000 sterling. if books had been properly kept. Now, Sir. the figures I have quoted about our loans prove that three-fifths of the money borrowed costs the colony over 4 per cent., and the railways were built when rates of interest were bish. As these 4-per-cent. loans are not payable until the 1st November, 1929, we are encumbered with loans paying a high rate of interest for twenty- eight years hence. I fail to see the justice, then. of taxing the community for a quarter of century to the amount of \$200,000 a year. that being the difference between 3 and 4 per cent. on \$20,000,000. I think that this is specially unjust, seeing that the large mass of the people of the country do not use the railways much. of use them very slightly indeed, and the indirect benefits gained by them are so infinitesimally small that they cannot be taken into account at all. Sir, I do not want the House to mis- take me. I do not want honourable members to think that I object to low rates ; but what I have always contended for is that our railways ought to be managed upon commercial prin- ciples, and that there ought to be an idea of reducing rates to the lowest possible point com- patible with the assurance that there will be no loss of revenue. To arbitrarily fix the rate of interest that our railways are to earn a: 3 per cent., while the great bulk of the capi- tal invested in them has cost considerably over

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them at the cost of those who cannot do so. Another question I would like to touch upon, if time permitted, is that of the excessive and increasing payments out of loan for mainten- ance, and for the up - keep of engines and rolling-stock. As I have already said, unfor- tunately we have not the necessary data to speak with authority on the subject. I must therefore defer any remarks upon the manage- ment of the working railways until such time as Ministers are graciously pleased to allow the representatives of the people to obtain the in- formation which ought to be placed at their disposal at the earliest date after Parliament meets. Sir, the concessions which were made in freights and fares seem to have been made entirely irrespective of the principles of true finance, and irrespective of any idea that the railways should be run to the best possible advantage. One principle only underlies these concessions, like everything else, and that is by some means or other the Government must bribe the people. Now, in the Statement there are to be found endless comparisons between the periods 1891 to 1901. And it almost seems to me as if it was a valedictory effort on the part of the Right Hon. the Premier, as though this was to be his last Budget, and that therefore he wanted to draw a comparison between the finances and the population when he came into office and as we now find it. It is not a generous action to disparage, or endeavour to disparage, one's predecessors ; but we know if it is necessary to work a point by disparagement of others it does not interfere at all with the utterances that come from the Ministerial benches. But let me endeavour to extend the comparison to the previous decade, and then let us see what that comparison proves-and by doing this I am not disparaging any person, because various Ministers were in office ; but one can arrive, by comparing the previous decennial period with the last one, whether anything has been gained by the popularity-hunting policy of the present Go- vernment. In 1881 the net public debt amounted to £27,108,270, and between then and 1891 it rose to £37,359,157, an increase in that decennial period of ■10,250,887 ; whilst the railways increased from 1,287 miles to 1,840 miles of open lines, an increase of 555 miles. Between 1891 and 1901 the debt grew from £37,359,157 to £49,591,245-an increase, I may say, in the last year of £1,627,675; but the total increase for that decennial period was £12,232,088, whilst the railways opened in- creased only from 1,842 miles to 2,212 miles, or only a further increase of 370 miles with more than twelve millions increase of debt, against 555

miles with a smaller increase of debt in the previous decade. And that is not all, because there were huge sums of money, the amount of which I cannot recollect at the present moment - approximately \$3,000,000-which were transferred from the consolidated revenue to Public Works Fund, all of which money must have been scattered somewhere, but where I admit I do not know. It is extremely difficult to roads, bridges, or some purpose or another, and in most instances to bribe the people. Now, the foregoing statements of comparison which I have made are not so indicative of the profligacy of the Government as the Public Works Fund expenditure of the last three years, when compared with the expenditure of the Public Works Fund of the last three years of the last Administration. Therefore, I propose to draw a comparison between the three years immediately precedent to the accession of the present Ministry to office with the three last years of the present Government. In the year 1888 the debt amounted to 135,536,381, and it rose in 1891 to \$37,359,137, an increase for the three years of £1,822,776. But to be perfectly fair, and to endeavour to put the case strictly accurately before the House, I admit that there were liabilities on the Public Works Fund Account at that time of \$240,385; so that if we add these liabilities to the debt I have already quoted it makes a total increased debt during the three years ending March, 1891, while Sir Harry Atkinson was Treasurer, of £2,063,161, or \$687,720 a year. Now let us examine the last three years that the Right Hon. the Premier has been Treasurer. On the 31st March, 1898, the debt was 8.30. £44,081,521, and it had risen on the 31st March last to \$49,591,245, an increase during three years not of £1,822,776, as it rose during his predecessor's term of office, but of \$5,509,724. But again I would like to make the account as accurate as I can, and I find, on looking through the tables in the Public Works Statement, that the liabilities on the Public Works Fund on the 31st March, 1901, were the appalling sum of £1,292,095. This makes the total increase during the three last years of the public debt of the colony £6,801,819, or £2,267,273 for every year, which is \$204,112 each year more than the £2,063,161 which was raised by Sir Harry Atkinson during the three years he was in office. But then, of course, this is a self-reliant, non-borrowing Government, to whom much is to be excused. Much ! During the whole period of the public works policy there has been no such extravagant expenditure as has been made by the right honourable gentleman during the last three years. Now, it is clear - even the census returns show-taking the quinquennial period which ended on the 31st March, 1891, that during that period of depression the population increased by 8} per cent. Taking the last census returns, the last quinquennial period ending on the 31st March, 1901, notwithstanding all this profligate expenditure, the increase of the population of the colony has only been 8g per cent. Therefore it would appear to me that the present Government has failed to justify its policy by the rapid increase of population, by giving us more railways, or by in any way materially benefiting the people. In fact, the outlook is serious, for on page x. of the Financial Statement we find, "The latest census of the people proved that during the last five years our population had been, relatively to the previous five

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years-that is, from 1891 to 1896-actually decreased in numbers by 7,366 persons." These few words contain a whole volume of condemnation of the Government policy. The Government have endeavoured-and I believe they have meant to do well-they have endeavoured to place the people upon the land. I shall be able to show they have failed in doing that successfully. They have promised to make railways. I have shown that they have made fewer miles of railway than were made in a similar previous period. I have proved the debt has increased enormously, and population has not proportionately increased ; and I believe they have unsettled trade and industry, and have done an incalculable amount of harm to the colony by their policy. I find, on examining the figures, that the population in counties in 1891 was 352,097, and in boroughs 270,343, showing 81,754 as the difference between those who lived in boroughs and in the country in favour of the country. And we find in 1901, also taking the census returns, the dwellers in the country are 417,477, and in the boroughs 350,097, showing now the

difference between the population in the country and the boroughs is only 67,380, instead of 81,754 in the previous period. Now, this, I think, goes far to prove that, though millions have been borrowed to put people on the land, though millions have been borrowed and expended in public works, the increase of the population is at a standstill : the people are not settling on the land so much as before, and the policy of bribing the people has not been successful. If I have any time left I should like to say a few words in regard to the Crown tenants, and it is exceedingly interesting to me to find on page xix. of the Statement that the very course the Opposition have agitated for for some years past has at last received the approval of the Premier. We have advocated and said all along we who know something about the necessities of pioneer life in the country -- that settling men on bush farms in the back blocks, without roads, is an absolutely hopeless undertaking. We have pointed out over and over again that arterial roads ought to be made into the bush lands, and when the settlers occupy them they ought, themselves, at the time when their properties are not bringing in any profits, to be allowed to work on the branch roads so as to give access to their farms, and get employment and earn some money when they cannot be profitably working on their own farms. I am glad to see that the Premier is adopting this principle. But he constantly adopts his opponents' policy without ever admitting it; it is only another evidence of the anfractuosity of the Premier's character. How marked is the contrast between the policy now shadowed in the Financial Statement in regard to the bush farmers with the principle of compulsory rating upon unimproved values. The Statement-one has unfortunately not time to read the passage-admits that, after four years of unremitting and unwearied and unrewarded toil and accumulated thrift, there are not sufficient earnings from the farm to pay the rent of the bush settler, and he has to have Captain Russell recourse to the money-lender. What, then, I would ask the Premier, is the unimproved value of the farm ? He himself asserts in his Statement that, notwithstanding the arduous work of the farmer for some four years. he is deriving no profit whatever from the property, and, though the whole of the work of himself, his wife, and his family are put into the farm, he is obliged at the end, after four years of ceaseless toil and unremitting anxiety, to go to the money-lender to borrow money to pay his rent. How the principle of compulsory taxation on unimproved value is to be justified passes my comprehension. Mr SEDDON. - You are mistaken ; I did not say at the end of four years. Read it again. Captain RUSSELL. - Well, you say for two years there are no returns, and two years more pass over and he is still behind. Now, the suggestion which I have so often made-that the expenditure of the money we are borrowing for the compulsory purchase of estates would be far better expended in driving arterial roads through country not already settled - is the true one; in other words, instead of driving people off property already paying taxation. giving employment to many, and producing considerable profit to the State, it would be far better to spend the money in roading and opening up fresh country. It would pay the colony better, it would pay the industrious settler far better, and the true principle of colonisation would be carried out, instead of merely a policy, in too many instances, of political confiscation. Here is the passage in the Statement that I previously alluded to : - "From facts which have come within my knowledge it is quite clear that a person taking up bush land, and having little or no capital. cannot pay rent until the land yields a return. There are practically no returns for two years. By that time two years' rent are in arrear, and the yield is not sufficient to maintain the settler and his family. Another two years pass over and still find him behind in payment of his rent, or, if he has paid the rent. he has probably had to borrow the money for that purpose. Under these circumstances it is much better that the State should insist upon the improvement conditions being strictly complied with, and allow the tenant to sit rent-free for the first four or five years." Well, I am glad to believe that this solicitude of the Right Hon. the Premier for the Crown tenant is the result of the formation of the Farmers' Union, and that the farmers are to receive some of the attention-I do not say, perhaps, more attention than he has given to the trades unions in the towns. Speaking as a farmer, I have no desire whatsoever that the Farmers' Union should grow in any way into a

political association. I believe it will be far stronger if it is not a political association. That it will be a power in the country I firmly believe, and this concession to the farmers is, at any rate, evidence that their wants are being forced on the attention of the Premier. @ thing which he probably never considered in

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there shall be a line of steamers provided to carry the produce of our farmers to South Africa. Well, Sir, all I can say is this : that if the New Zealand Steam Shipping Company, or the Tyser Company, and the Shaw - Savill Company are unable to carry our goods at a profit to South Africa and get return cargoes from there, then no Govern- ment Administration will ever make a line of steamers pay half so well as companies ac- customed to the running of these steamers are likely to do. What possible trade can there be between the Cape and here ? There pro- bably for a time will be some trade between here and the Cape. That, I think, is quite possible ; but the only trade I know of that is likely to come to the colony from the Cape will be inhnitesimal, and is more likely to take the form of ostrich-feathers and diamonds than anything else, and certainly it would not be worth while chartering large steamers to carry what trade might be required from South Africa. I think that all the diamonds likely to be used in New Zealand might be carried in anybody's waistcoat-pocket without any incon- venience to the wearer. It is possible that the providing of cool-storage at the Cape is a question that may be worth consideration ; but there, again, I am very much inclined to think that cool-storage would be better pro- vided by freezing companies than it would be by the Government. But the suggestion that the Right Hon. the Premier should control the frozen-meat trade in England is really too good a joke almost to put in his Financial Statement. He speaks as though New Zealand was the only country engaged in the meat trade. This is a country, no doubt, that has a great future before it; but that our frozen-meat industry could be made under Government management to control the whole of the frozen-meat industry of England, is really, Sir, too good a joke, especially when we know the United States of America is pouring huge quantities of meat into England, chilled, frozen, and alive; when we know that Canada is doing the same, that Argentina is supplying huge quantities too, and that Australia is doing the same, and in all probability will continue to do so in as large, if not larger, quantities. The idea that any Government bureau that we can establish can regulate the frozen-meat trade in England, and regulate compulsorily the trade of the remainder of the world-well, Sir, all I can say is that the Premier is indeed verdant if he believes that. I believe he thinks nothing is beyond his powers; but probably if he enters into the meat trade there, even he, great as he is, will come to unmitigated grief. I have a few words just to say in conclusion. No doubt many honourable members are familiar with the scene in Mozart's celebrated opera, Don Giovanni, where Don Giovanni, or, as he is called in Spanish, Don Juan de Tenorio of Seville, who is depicted as the type of the scep- tical libertine, and who has killed Comman- dant Ulloa and betrayed his daughter, at a banquet insults the memory of the comman- moonlight in the castle garden. The statue descends from its pedestal, enters the banquet- ing-hall, and carries off Don Juan to a pit, whence emerge sulphurous flames. The Right Hon. the Premier reminds me irresistibly of that banquet scene. He is the type of the political sceptic and libertine. He believes in no such thing as honesty of conviction or virtuous con- duct. By his policy he has killed the work of his former commandant, betrayed the child of his later years, and now by a proposition-the most extravagant ever put before Parliament - of a public works expenditure of £1,950,000, he insults the memory of his former " revered leader." I shudder ; I look round ; I fear lest the statue which shimmers in the moonlight in our castle garden should descend from its pedestal, on which is written "He loved the people," and, like the statue in the opera, enter this Chamber and drag off our Don Juan, enveloped in blue flame and mephitic vapour. Mr. SEDDON .- It would take some one to carry me off. Captain RUSSELL .- It is not a question of carrying: Don Juan was compelled to follow. But, Sir, I have no doubt that when the Right Hon. the Premier retires from office his admirers may desire to erect a statue in his honour. Should they do so, upon the base of the pedestal upon which his statue stands should be writ

large, in letters of brass, heavily gilded, " He bribed the people." Mr. NAPIER (Auckland City) .- Sir, Lord Randolph Churchill once said that every speech Lord Salisbury made lost ten thousand votes to the Conservative party. Captain RUSSELL .- He has a good big following still. Mr. NAPIER .- The speech which we have listened to to-night, I feel sure, has lost to the Opposition more than ten thousand votes in this country. The honourable member for Hawke's Bay made the burden of his speech an accusation that the Premier and the Govern- ment had pursued a policy of bribing the people. That was the burden of the honour- able gentleman's song. Bribery is a crime in which two or more persons participate, if it is done between individuals. There is the briber and the bribee-the person who gives and the person who accepts the bribe-and both persons are guilty of a criminal offence. Now, Sir, the honourable gentleman has accused the people of New Zealand, or, rather, the vast majority of the people, of persistently accepting bribes, and selling their confidence and their support for a monetary consideration. That is practi- cally, without any verbiage, the accusation made against the people of New Zea- land by the honourable gentleman ; because he did not say the bribes had been merely given during the last election, but that the bribes had extended over the period of office of the Right Hon. the Premier. Therefore he accuses the people of New Zealand of time after time accepting bribes knowingly, and, as I have said, of vesting their confidence in a person capable of pursuing a policy of bribery.

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to the overwhelming majority of the people of New Zealand. I shall deal with one or two points in the honourable gentleman's speech : the honourable gentleman and his party, as I before I refer to the Budget which has been have said, whenever the stress of bad times introduced to the House and the country. The ' came, went to the salaries and cut them down honourable gentleman first referred to the alleged statement made by the Premier that . sible. After referring to this alleged policy of a time of financial trouble had arrived, and . which was reported in the Lyttelton Times. Well, we have the Premier's assurance that he did not make that statement. We know as a fact there were no reporters present, and therefore that the report must have been manufactured -it certainly was garbled-and that no significance should have been attached to it. The honourable gentleman says the Premier should have corrected it. Why, if the Premier were to occupy his time in correct- ing every misstatement that appeared in the public Press of this colony the business of the country would have to wait, because the whole of his time would be occupied in correct- ing falsehoods and misstatements. The honour- able gentleman next referred to a statement in the Budget, which I think he misrepresented. ! That was the reference in the Budget speech to the possible reduction of salaries in the event of the ordinary expenditure exceeding the ordinary revenue in the future-a mere note of warning which was issued by the Premier in his Budget speech. The whole paragraph is to the follow- ing effect - the honourable gentleman used some of the words, but apart from the con- text :- "Coming to the demands upon the consoli- dated revenue, the several services of the colony have necessarily increased, and the strictest economy is necessary ; for if ever the time arrives when increased taxation is required to meet the ordinary expenditure, so surely will reductions in salaries eventuate." Now, Sir, I can, perhaps, pardon the honour- able gentleman for his misconception or mis- representation of that paragraph, because, no doubt, there was present in his mind the fact thit reduction of salaries was a cardinal feature in the policy of the Conservative party in the past, and that it was one of the planks of the Atkinsonian Administration to reduce the salaries of the unfortunate Civil servants by 10 per cent. Sir, has the Liberal party ever been guilty of such a reduction of salaries ? On the contrary, the dominant note in all the various Budgets that have been produced to the country since the Liberal party came into office has been this : that ability should be recognised, that salaries should be increased where ability existed, and that the best talent, the brainiest men, should be retained for the public service. It is true that in one or two instances officers have gone to Australia, where they have been tempted by larger salaries ; and I, personally, would have preferred if even still larger salaries had been given to those able

men to retain them for the service of the people here. But I maintain that, if you examine the various Budgets and the figures from the beginning of 1891, when the Liberal party Mr. Napier that they have never been guilty of docking the salaries of the Civil servants ; but that as the best and readiest economy that was pos- reducing salaries, the honourable gentleman said that the Premier, in order to keep popularity, must continue to bribe the people. Now, Sir, let us examine this statement for a moment. I would ask, With what has the Premier bribed the people ? Is the money that has been expended on public works not their own ? What is the usual form of bribery, and in what does bribery consist ? Is it not the giving to a person as a consideration for doing an improper act something which does not belong to him, but which belongs to the one who offers the bribe? Does the honourable gentleman suggest that the expenditure of public money upon our public works is a bribing of the people? I would ask, Is he prepared to advocate a policy of cessation of all public works? That is what his speech implies, and that is the predominant feature of his speech to-night-namely, that we should discontinue our policy of public works, because, according to the honourable gentleman, wherever money is being spent upon public works the public are being bribed. The honourable gentleman cannot possibly be misunderstood, for time and again he said that the expenditure of public moneys on public works was bribery. Will the honourable gentleman specify in what form the bribery took place ? Does he suggest that the money was taken out of the public Exchequer and given personally to people in the constituencies for electoral purposes ? Surely that is not what he means. It would be impossible. Captain RUSSELL .- Oh, would it ? Mr. NAPIER .- We have not yet discussed the estimates of this year in detail, but has the honourable gentleman ever suggested that any particular item on the estimates of former years was a bribe? During the time I have had the honour of being a member of this House I have never known him to suggest that any item in the estimates was a bribe, and that we ought to strike it out in consequence. Why does he not say that the money for the North Island Trunk Railway, for the Whangamomona, and for other lines should not be voted, for the reason that they are bribes? I am glad that the honourable gentleman made his speech to-night, because it is a clear enunciation of a policy of cessation of public works, and also an enunciation of a policy of running our railways on commercial lines. Sir, I will endeavour to show what running our railways on commercial lines means. Part of the policy of the Conservatives of this colony is to make the public services yield such a profit that taxation will be lightened, and the large landholders escape their legitimate contribution to the public Exchequer through the graduated land-tax. The honourable gentleman said in lugubrious tones, like the lamentation of a Jeremiah,

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must come, and that there would be general depression. Sir, I contend that wool is no longer the chief staple product of this country. If the honourable gentleman will examine the nature of our exports, he will, I say, find that wool is no longer the chief staple product of this country. Fortunately, as the Treasurer has stated, our eggs are not all in one basket. I maintain, Sir, that when the policy of land - settlement has proceeded further, when the great landed estates in the deserts of Hawke's Bay - deserts as far as people are concerned, but with soil so fertile that there could be a thriving population existing on that land - when the people are largely settled on that land it is not wool-growing that will be their chief industry. They will produce butter and meat, just as the Taranaki people have done, and what the honourable member advocated at the opening of a dairy factory at Hastings will take place. The honourable gentleman said-and he has repeated it in this House-that he recognises that the time must come when the day of the large landholder will have to pass away, and that the land will be cut up into small holdings for dairy purposes. In some parts of the colony that day has already arrived, and in other parts, and in Hawke's Bay, the day must inevitably come when the squatter will be as extinct as the moa. Now, Sir, the honourable member said, and made it the basis of a very strong indictment against the administration of the railways, that the extra earnings of the railways had been caused and secured by a greater

expenditure, and that therefore there was no real increase at all. Sir, the honourable gentleman once said in this House that he did not understand finance. I think that he has a fair knowledge of finance ; but I would point out the fallacy of his reasoning. If he would examine the items of which the increased expenditure consists he would find a large portion of the expenditure was for rolling-stock, and a large proportion of it was capital expenditure, and not departmental expenditure -- not wages, not the ordinary working-expenses and charges of administration, but was for the supply of additional conveniences and extra rolling-stock, new engines, and other equipment, and therefore that it was money that ought to have been legitimately charged against Capital Account. I will give an illustration to convince the honourable gentleman of the soundness of my contention. If a merchant, finding his business increasing, and finding that he had no longer sufficient room to carry on his extended trade, erected an additional story to his warehouse, would it not be absurd to charge that additional expenditure against the income for that year. In any financial policy there must be a Capital Account and an ordinary Expense Account. Therefore I contend that, unless the honourable gentleman could show that the increased expenditure was composed exclusively of working-expenses during the year - unless he can prove that, his argument falls to the ground gentleman next propounded a policy which I think will be scrutinised by the settlers of this colony with great and scrupulous care. He said, "It is not safe finance to so work the railways as to only secure a revenue of 3 per cent. I fail to see the justice of taxing the country to make up the excess over 3 per cent."; and then he wound up with the broad statement that our railways should be run on commercial principles. Captain RUSSELL .- No. Mr. NAPIER .- Did the honourable gentleman not say our railways should be run on commercial principles ? Captain RUSSELL .- Quite so ; but I did not stop there. Mr. NAPIER .- Well, Sir, if the railways are to be run on commercial principles, what does it mean? It means that the railways are no longer to be utilised for opening up the country and for the development of the settlement of the land, but that you must wait until population in any particular district has increased to such an extent that the line to be made will be a paying railway from the outset. That is what it means. The honourable gentleman entirely overlooks the fact that almost every writer on railways and their functions at the present time, and even the great plutocrats of America, state that railways ought to be worked upon a different principle. Even the writers upon railways in America, the land of plutocracy, the land of railway kings, demand that the railways of the United States ought not to be used, ought not to be constructed, for purely commercial reasons, for dividend-paying purposes, but for their indirect advantages to the State, and because they are a means of communication, just as roads are. An honourable member says "No," but I maintain, and reiterate what I have said, that all the best authorities-I have some here if the honourable gentleman would like to look at them-all the best authorities and writers on the subject state-and I think, myself, that most modern politicians agree with them-that railways ought to be run primarily for the purpose of increasing the settlement and productivity of the country, of preventing the excessive aggregation of large masses of the people in towns, and of facilitating the intercommunication of the people living in the various parts of a State. And I maintain that the primary object of working the railways in New Zealand ought to be to open up the country, to settle the back blocks, to bring the produce of the land from the remotest points to our ports, and to connect the great centres of population ; and that, even if a policy of that kind did not show in the balance-sheet a dividend of more than 3 per cent., the indirect advantages to the country would be enormous, and that consequential profits of great magnitude would accrue to the State, and would be secured by the people as a whole. Sir, the railways, of course, would be a splendid asset in the hands of the honourable member if he worked them upon the principles laid down by Jay Gould. We all

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he was asked if he would not run the railways in America in the interests of the people-if the interests of the people were not to be considered when pooling the railway system. He said, " Hang the public," or

something to that effect, showing that he, and that the plutocrats of his class, had a contempt for the public interests, and that his own pocket and the pockets of his fellow-plutocrats were the only considerations that ought to guide a railway king. Now, the honourable gentleman, I maintain, by running the railways on commercial principles, adopts the principles of Jay Gould—that, the railways being a good working concern, and capable of earning a splendid commercial return, the best possible commercial return ought to be secured by running them. Captain RUSSELL .- No such thing. Mr. NAPIER .- Well, we will see how the honourable gentleman's speech appears in Hansard. I took down as fairly as I could notes of what the honourable gentleman said, and I regret if I failed to gather his meaning on this point of his speech. I paid the greatest possible attention to the honourable gentleman while he was speaking. Now, Sir, the honourable gentleman made a further alleged point in his manifold indictment against the Government—namely, that the public debt had increased by a sum of £6,000,000 in the period to which he referred, and he said that that was a greater debt than was incurred during the whole of the Atkinson Administration, with which party the honourable gentleman was associated. But was that not a disingenuous statement? Does not the honourable gentleman know that the £6,000,000, if any fair analysis were made of it, does not represent real debt? Does he not know that a large portion of it is earning more than the interest which is being paid for it, and that properties are now held by the State representing a large portion of the money? Was there any Advances to Settlers Department in existence in the Atkinson days? And has a large portion of this \$6,000,000 not been devoted to the purpose of giving loans to farmers, from whom the Crown holds real-estate securities? Why, there are thousands of deeds in the strong-rooms of the public buildings of Wellington to represent a large portion of the six millions—deeds which are absolutely liquid securities, which, if there came a financial crisis, or if circumstances required it, could be used for borrowing fresh money if necessary, as they are absolutely free and unpledged. The money has been borrowed practically for the settlers of the country; the Government merely lends its name: no real debt is incurred, no burden imposed on the general taxpayer, and if the names of the various individuals whose deeds are in the Government safes were used instead of that of the Government or the Crown, these six millions would be reduced very largely indeed by that one item. Then, again, does not the honourable gentleman know that a large portion of the six millions was expended in the purchase of Mr. Napier State, and which has been re-leased, and the rents from which are paying a greater sum annually than is sufficient to pay the interest on the money expended in the purchase of those estates? We have acquired estates under the Land for Settlements Act. Was there any Land for Settlements Act in the Atkinsonian days? If you analyse the honourable gentleman's speech you will see that it is bristling with disingenuous statements meant to delude non-inquiring minds; and if his speech be examined and dissected it falls to the ground absolutely by the weight of the misrepresentations it contains. Now, Sir, I will refer to various items in the Budget speech of the Treasurer. In the first place, I desire to congratulate the right honourable gentleman on the continued buoyancy of our finance and the evidence of stable prosperity which the Budget affords. If we recognise the significance of the surplus of \$532,564 -- a truly magnificent surplus at the end of the year-- I submit there is no justification for the lamentations and predictions of imminent disaster we have listened to this evening. The increase of the annual income over that of the previous year by \$272,320 is an indication. I submit, of increasing prosperity; and if we analyse the items which make up that increase we shall find that there is increased confidence in the trading community generally. I find from the headings of the various items of increase that the increased revenue shows this: that there was an increased spending-power on the part of the people; that there were increased dealings in share stocks and in land; that the values of land have gone up; that there were larger incomes; and that there was a greater amount of travelling on the railways, both for business and for pleasure. Now, what are the elements of a people's prosperity? Surely the people's prosperity must be gauged by the value of their possessions

and the extent of their spending-power. and, tried by any of those tests, or all of them together, I submit the people of New Zealand are enjoying unexampled prosperity. There is apparently no risk whatever of any immediate cessation of that prosperity, or even of its serious diminution. The honourable gentleman referred to the public debt, and to the increase of the amount of the indebtedness over that of last year. But he also upon this point was scarcely ingenuous, because he did not tell us that of the increased debt the greater proportion--well, more than half -- was directly producing interest, and therefore that there was in respect of that no additional burden on the people of the colony. Over \$800,000 is directly producing interest, and of the balance a large sum is indirectly producing interest and has placed a large but unascertainable sum in the pockets of the people, because I find that of the balance over half of the increased indebtedness has been spent upon roads and bridges and other works of a permanent and reproductive character, using the word "permanent" in its ordinary sense. Other

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works which are quite legitimately charged against capital are being provided out of the other half of the increased indebtedness of last year. Consequently, if a balance-sheet was prepared, and the assets were put down on the credit side as against the £1,627,675 of the increased indebtedness since last year. we should have this result: that you would possess tangible assets for almost the whole of the money, and that there was practically no burden placed on the people by this additional indebtedness. It is therefore a cardinal error in the speech of the honourable gentleman to put down expenditure on capital works as if it were ordinary departmental expenditure, without taking into consideration that assets exist as against that expenditure. Supposing that a man erects a house, and that that man's income is \$500 a year, and that during one year he erects a house worth \$1,000, would it not be absolutely unfair and ridiculous to say at the end of the year, in stating that man's condition and position, that he was living at a greater rate than his income justified, and that he had spent \$1,000 in the year whereas his income was only £500, without taking into consideration that the house existed there instead of the £1,000--that the \$1,000 had not been destroyed, but that it had merely been changed from one form of capital into another. That was the underlying fallacy of the whole of the honourable gentleman's speech when he was referring to the increased indebtedness of the colony, and not taking into consideration the assets which have been produced by this increased expenditure. Now, referring to the expenditure in the Budget, the first item upon which I desire to make a remark is that in connection with the Royal visit, and I am sure there will not be a single voice raised against the expenditure incurred in the reception of our illustrious guests. I believe, myself, that the visit of their Royal Highnesses to this colony will be productive of very great good to the people of this colony and to the Empire generally. It will have a tendency to work towards the consolidation of the Empire, to bring us closer to the people of Great Britain, and to weld the Empire into one homogeneous whole. Therefore, Sir, I do not think any one will cavil at the \$50,000 which was expended in connection with the reception of our future King and Queen. Now, another item in the expenditure will be the increased Well, surely, Sir, the vote for education. honourable gentleman will not deny that an increased sum spent upon education, provided it is judiciously spent, will be money well spent --- will be reproductive expenditure in the truest sense. What has made Germany what she is to-day but the superior education of her people. And if you look to the fact that in Germany not only primary education, but secondary education and university education, is almost free to all--a thing which would be denounced in this country as the rankest socialism if it were introduced--when you recognise that fact existing in autocratic Germany, and that it has resulted in the German nation taking its place in line with the foremost nations of the earth, I say, Sir, that if the Government go on with increased expenditure upon education I shall most strongly support them, and say god-speed to every effort to make the people of New Zealand an educated democracy. Now, the next item of large dimensions in the increased expenditure is that for defence, and £64,400 is the increase under the head of "Defence." I cannot think

that that will meet with the condemnation of the honourable gentleman, who we know advocated-and I presume he was sincere-that the country should be placed in a condition of absolute security, and that the obsolete weapons we formerly had-the old Snider rifle and Martini-Henrys, and even the Lee-Enfields, which were not magazine rifles-should be discarded, and the most modern and up-to-date weapons should be purchased in sufficient numbers to thoroughly equip all the Volunteer Forces of the colony. Well, that has been done, and to-day we stand prepared and ready to meet any enemy that chooses to come along. We have magazine rifles and magazine carbines for the artillery companies; and, though all has not been done which must be done, I take it, with regard to placing the defences of the country upon a proper footing, yet good and steady progress has been made during the past year. I trust, however, that the report of the Secret Defence Committee will not be buried-that the effort which has been made will not be a spasmodic one, but that there will be a continuous progress, and that the right honourable gentleman, the Minister of Defence, will see that the recommendations of that Committee are not treated lightly, but that, so far as the public finances will permit, the recommendations of the Committee will be carried into effect. There are several items in the report of the Defence Committee which I think might have been adopted, and, I hope, will be at an early date. The establishment of schools of instruction for officers is a clamant want, and I trust it will be speedily supplied. The Defence Committee reported, and the House adopted their report, that "schools of instruction should be provided for Volunteer officers at Auckland, Wellington, Christchurch, and Dunedin." Now, Sir, those schools of instruction are not yet provided; but I believe steps have been initiated in that direction, and it will not be very long before we see those schools in active operation, and the gentlemen who devote their services gratuitously to the defence of the country will receive reasonable assistance in the way of getting instruction in the technical branches of their profession. The payment of Volunteers during camps of instruction is a step, I trust, that will be soon carried out. It is absolutely necessary that the Volunteers should receive daylight instruction, as I have already more than once said in this House, and the Defence Committee insisted that the only way of doing that was by having Volunteers in camps for the whole day during at least a period of seven days, and paying the men a reasonable wage for their services during that period. Sir, it is true that the navy is our first line of defence; but I maintain that.

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cient to justify the statesmen of this country in insisting that this colony shall be prepared to resist any invader that may embark upon the enterprise of conquering this country; and the report recently issued by Captain Crutchley, Secretary of the Navy League, shows that the Lords of the Admiralty themselves are uneasy at the present condition of the British fleet. When the Lords of the Admiralty recently visited Malta they found a rather alarming state of affairs. They found, of course, what they should have known before they left England-that there is no breakwater there, although Malta is within 210 miles of an important torpedo-station. They found that nothing had been done for the defence of Egypt; and it is now stated, and with authority, by one of the most eminent naval officers-a man who will probably be First Lord of the Admiralty in a few years, if not in a few months-that there is a deficiency in all classes of vessels-battle-ships and destroyers, that there is a complete absence of fleet auxiliaries, and that the fleet generally is not in an adequate state of preparation for war. Well, Sir, if we receive those statements on high authority, and recognising the fact that we live by our commerce, and recognising the further fact that France and other nations are building large numbers of commerce destroyers, we must admit that the British fleet may not be in a position to convoy our commercial ships and to adequately defend this colony; and, though I feel satisfied that if an enemy lands in this country our Volunteers would give a good account of themselves, and that such an enemy would easily be annihilated, I would urge that the minimum requirements agreed to by the admiral of the station and the Defence Committee should as speedily as possible be fulfilled. Now, Sir, another item of expenditure is that of the Agricultural

Department, and I submit that that also was an expenditure which may be regarded as reproductive, because if we educate our farmers the increased knowledge must necessarily result in increased production. In referring to the railways, I have dealt with the remarks of the honourable gentleman with regard to the alleged excessive expenditure in proportion to the income received ; and I would point out one or two salient features of the Budget which I think ought to bring home to the minds of the settlers generally the excellent manner in which the railways are now being administered. In the year 1894-95, the railways carried 3,905,578 passengers, while during last year they carried 6,243,593 passengers. During the last six years the revenue-producing power of the railways has increased by no less a sum than \$576,385. Those facts, I submit, are a sure indication of the general prosperity of the country. I shall also support the Government in their proposal to introduce a system of cool-storage, and also in the chartering of vessels to develop external trade. The honourable gentleman passed lightly over these items, but I feel quite satisfied that if the Conservative party were to come into Mr. Napier's external trade, just as their former tenure of office resulted in a paralysis with regard to land settlement. The San Francisco mail-service is referred to in the Budget, but not in as emphatic terms as I would like to see it alluded to. There is no doubt that that service is the best for commercial purposes, and the most economical of any of the mail-services of the colonies, and I trust some practical proposals will be submitted to the House for insuring the permanency of that service. The right honourable gentleman will have noticed that an effort is being made by the people in Queensland to divert the steamers to Queensland direct, and I submit that that would involve, necessarily, the cutting-out of New Zealand. I trust that no such calamity will be permitted. Then, there is one paragraph in the Budget speech which I do not quite understand, and that is with reference to trade with the annexed islands. Now, as far as the islands which have been annexed to New Zealand are concerned, they are now provinces of New Zealand. They are just as much a province of this colony as Canterbury or Auckland is, and the laws of New Zealand apply to them just the same as they apply to any city in the colony. To suggest, therefore, that goods from one province going into another province of New Zealand should be subjected to continued Customs imposts is a suggestion that I do not agree with. I submit that the products of New Zealand should now be allowed to go into the islands free, because they are a part of the colony. It must necessarily be so. I do not see how one province can set up a system of taxation against another province, and I hope that the laws of those islands, such as they are, are being adjusted. We ought to give those laws an overhauling at as early a date as possible in this House. I trust everybody will now recognise that the islands are part of the colony, and that the laws of New Zealand shall apply to them as well as to other parts of the colony. I notice with satisfaction that the ordinary expenditure on public works was greater than that of the previous year by £350,000. That is satisfactory. I hope that, instead of crying a halt in the public works policy, as suggested by the honourable member for Hawke's Bay, it will go on at an accelerated pace. Mr. G. W. RUSSELL .- What, at 4 per cent. ? Mr. NAPIER .- I am pleased that the Treasurer has placed the construction of the North Island Trunk line in the category of national works of the first rank. I think the House is unanimous with him on that point. Members from the North and the South are all agreed that the North Island Trunk Railway is a national work, and therefore that there should be no hesitation in proceeding with its construction as fast as finance will allow. I submit that the viaducts should be got ready as soon as possible, so that we will not have to wait on the formation, and that when the formation is sufficiently advanced the viaducts ought to be ready to be erected, so that the time for opening the line will be in accordance with the promise

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given. We ought to have the track completed | land has been a terra incognita to southern right through the Waimarino Forest, on the southern side of the Wanganui River, before the termination of next summer. That, I trust, will be done. I do not anticipate that there will be any difficulty this session in

placing on the list of authorised railways the Whanga-momona-Kawakawa Railway, as it is the Stratford route connecting Taranaki with Auckland. I trust that the work of constructing this line from the Stratford end towards Whanga-momona will be expedited, because it is a most important arterial line. An immense territory of a fertile character will be opened up by it: the opening of that railway and the roads to feed it will practically add another province to New Zealand. The land-for-settlements policy has made vigorous progress during the year; but I note with some surprise and with mixed feelings that, though 70,833 acres were purchased during the year, at a total cost of \$350,193, not a single acre was purchased in the Province of Auckland. It is true that during the previous year the Government had purchased estates there, and I am not disposed to censure them now, as the work of settlement in other provinces was very urgent. I would, however, again direct attention to the enormous properties that the Assets Board hold in the Waikato, which ought to be resumed as speedily as possible and settled. Sir, in this connection I learnt a most astonishing thing 32106019788246 within the last few days-that this Assets Board, so far from wishing to divest itself of its functions and to commit "the happy despatch" as early as possible, is actually negotiating for renewals of leases of lands from the Natives for forty-two years at Whakatane, on the East Coast. Do the members of that Board suppose that they are going to be allowed to exist for another forty-two years-that the country will for long tolerate such a scandal as the continued existence of that Board? I trust, Sir, they will be stopped. Some of the settlers have written indignantly to me that their efforts to get leases from the Natives there are hampered by this Board, which is endeavouring to get renewals of the existing leases, which are about to expire. Sir, the settlement of the Assets Board estates in the Waikato will not interfere with the settlement of the King-country. Married men with large families could not go out into the wilderness to act as pioneers; let that be done by young men. But lands nearer schools, roads, and railways ought to be settled by married men with families, and numbers of these are ready to take them up if the lands are cut up into small farms. There are also large areas in North Auckland which could be settled for growing not only ordinary farm produce, but a large number of sub-tropical products. Canning-factories for fruit and schools for the teaching of sub-tropical agriculture are essential for the development of that part of the country. I trust also that the Northern Railway, for the completion of which scores of petitions have been presented to the House this session, will not be neglected. The northernmost part of New Zealand is a valuable province in area and in the extent of its fertile valleys. The Minister of Lands during the year has done good work in visiting the North and making a detailed inspection of the various districts, and I was pleased to notice the great interest that he took in the struggling settlers of the North, and I feel satisfied from the knowledge he has gained that good work will result to the colony in future years. Sir, the honourable gentleman, in his concluding remarks, referred to the Government as harassing every industry. The sentence was somewhat similar to that with which Lord Beaconsfield once went to the country. The concluding sentence of Lord Beaconsfield's letter to the Duke of Marlborough, I think, was almost in the exact words used by the honourable member to-night. Captain RUSSELL.-He won the election, too. Mr. NAPIER.-Why, Sir, the election of 1880 is a red-letter day in the history of Liberalism in Great Britain. The Liberals established the Eighty Club to commemorate the victory, when they secured a majority of 130. The honourable gentleman termed the Government socialists. Well, I will give him the opinion of a pronounced Tory, a gentleman who was allied with an ancient and noble family, a man of science, a man who had little sympathy with the Liberal party in the Old Country, but for whose opinions and scientific writings I have the greatest respect. I refer to Professor Huxley. This is what he says, and I think it will be a reply to remarks in the strain to which I have referred. He says,-"I am unable to see that civil society is anything but a corporation established for a moral object-namely, the good of its members-and therefore that it may take such measures as seem fitting for the attainment of that which the general voice decides to be for the general good." Now, Sir, the honourable gentleman, with his extreme individualism, which, as

Carlyle tells us, is simply "Anarchy plus a policeman." would have us abandon all the policy for the general good that has been introduced during the last ten years and run the country on the lines of a joint-stock company, and make the largest dividends possible out of the public services in order to relieve the large landholders from taxation. Sir, I desire to make one or two remarks with regard to the Justice Department. The Justice Department is carefully and capably administered at present by the Hon. the Minister in charge of the department ; but he is, of course, not an expert, and what I regret to say is, that in the successive Liberal Administrations since 1890 there has been a lack of initiative in the Justice Department. Our laws-that is to say, referring more particularly to procedure and to other branches of the law-are not as advanced as they ought to be. Our Courts -- the doors of our Courts are not as widely open as they should be. According to Magna Charta, justice should be speedy, and

should not be bought or sold ; it should be available to all-to every man. It is not so in this colony. The Supreme Court is practically a Court for the well-to do. It is virtually impossible for a man to get justice in the Supreme Court at the present time unless he has considerable means. The Judges, of course, are above suspicion ; the machinery is all right. We have as our Judiciary men of talent, men well read in the law; but it is the system, which has remained unaltered for nineteen years, and which still has many of the attributes of a former epoch. What is called the " New Code " was adopted in 1882, and is now archaic in many respects. I should like to see either a Commission of experts appointed, or by some other means an effort made to bring our Supreme Court procedure more into harmony with modern ideas. Then, again, the management of our prisons is, I think, somewhat defective, and is behind the age. notice in the report of the Inspector of Prisons that he says, "My time has, as usual, been fully occupied in periodically visiting the different prisons of the colony." Well, if the Inspector is occupied in travelling and inspecting the prisons he has no time for initiating reforms, and he is practically the only officer upon whom devolves the function of thinking out any question of prison management and prison discipline. The prisons require attention. There , is unfortunately, if I may use the term, a large clientele for the prisons. Five hundred and thirty prisoners is the daily average population of the prisons, though I rejoice to see that there is a decrease in the number of prisoners during the year of 7-74 males, but regrettably an increase of women prisoners of 0.19. Yet nothing practically is done in the way of initiating a system of classification or a system of reform. Punishment alone, vindictive punishment alone -the old principle, and now largely exploded- is still the dominating feature in our prison system. The reform of the offender is not thought of. I would like to see an effort made to bring in, partially perhaps, the methods of the Elmira Reformatory, of America, which has been attended with astoundingly successful results in the treatment of crime. Sir, in that reformatory during the last ten years 83.1 per cent. of the number of prisoners committed were reformed. The prisoners in the reformatory, when discharged, are watched throughout their career. This is done, however, unknown to themselves. There is no system of espionage. And the number rescued from crime totalled 83 per cent. of the offenders. Now, that is a magnificent success, and I trust some effort will be made to introduce into some portion, at all events, of the prison system some of the features of the reformatory of Elmira. A writer on the reformatory of Elmira, Mr. Alexander Winter, F.S.S., says in his book,- " With the communications reaching the institution from the discharged prisoners themselves, or from their relations, employers, friends, &c., giving evidence of undoubted change, reform, and conversion, and expressing Mr. Napier thanks and acknowledgments, one might indeed fill volumes." Now, if that be so, I submit it would be well worth while to make a trial of the system in this country. The honourable member for Hawke's Bay also said that in looking at the future there were clouds ahead, and, with the competition of America and the Argentine, we should look forward with some misgiving to the future. I have no misgivings whatever with regard to the future of our country. I have taken some pains to make myself acquainted with the whole question of the possible results of

competition with New Zealand products by America and the Argentine, and, Sir, without 1 quoting any works on the subject which I could have done, as time will not permit, I will refer the honourable gentleman, so far as the United States are concerned, to a book in the library called " Our Foes at Home." I Captain RUSSELL .- Will the honourable gentleman pardon me? I did not speak of America in that connection at all ; it was with reference to the Premier's establishing freezing- works at Home. Mr. NAPIER .- I understood the honourable gentleman to refer to the possible competition of the Argentine with our produce. Captain RUSSELL .- Only as controlling the output. Mr. NAPIER .- Precisely. If the honourable gentleman will refer to the recent books on the subject in the library he will see we have very little to fear from either North or South America. Time will not permit of my entering on another subject, as I have only two minutes now remain- ing; but I would submit that the Budget dis- closes abundant evidence, which he who runs may read, not only of the present prosperity of the colony, but also of a prosperity which, as far as human foresight can discover, is likely to con- tinue. I cannot see any clouds ahead at all ; . there is no cloud ahead even as large as a man's hand. This article of produce may rise and that article may fall, but New Zealand does not rest on any single production. Our products are varied. A gentleman told me the other day that though he had lost very considerably on his wool-clip during the year, yet the profit be made on his lambs had more than compensated for the loss on his wool. Under these circum- stances I cannot agree that there is anything to regret in our policy, or that there is any warn- ing to give to the people other than that I have given them-to beware of the honourable gentle- man and all his works. The sun of this colony is high in the firmament. Mr. DEPUTY-SPEAKER .- Time is up. Mr. J. ALLEN (Bruce). - The honourable gentleman who has just spoken is a lawyer, and one would have expected from a lawyer that he would have analysed the words used by the Premier more carefully than he did. He told the House in the course of his speech that the Premier denied the statement he is reported to have used to a deputation of West Coast mem- bers. If the honourable gentleman had. lawyer- like, been more careful he would not have said so ; what he should have said was that the

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Premier remarked he was reported to have said so, and never yet has the Right Hon. the Pre- mier said that the report was incorrect. But, lawyer-like, later on he attempted to trip up the member for Hawke's Bay in a misquotation -and I suppose this is characteristic of lawyers also-namely, that he immediately afterwards fell into such an error himself, and in the same passage, for he quoted the member for Hawke's Bay as having said that, " If ever the time arrives when increased taxation is required to meet the ordinary expenditure, so surely will reductions in salaries eventuate ; " and he stopped there. Why did he stop? He accused the member for Hawke's Bay of leav- ing out part of the quotation, and immediately he did the same. I will finish it for him: "To avoid the contingency, and the injustice which arose in the past, it is well for those having responsibility to do their utmost to keep down expenditure." What is the meaning of this passage, if it has any meaning at all ? There is only one possible meaning-namely, that unless expenditure is kept down the salaries will have to be reduced. Then, Sir, the honour- able gentleman, later on in his speech, accused those who were in power from 1884 to 1887 of having cut down the salaries. It is admitted that the salaries were cut down, and the necessities which the Right Hon. the Premier is himself now pointing out-the necessities at that time caused the salaries to be cut down because the colony had got into such a condition of finance that it could not pay the salaries it had been paying. And, Sir, the cutting-down of salaries came not alone from those who were then sitting on the Ministerial benches, but from Mr. Bal- lance and his own supporters, who were then in opposition, but assisting Sir Harry Atkinson to cut down the salaries. With regard to the ques- tion of ability, the honourable gentleman said that those who are so-called Liberals have always been ready and willing to pay for ability ; and I ask him, or any other member of Parliament, to go over the long, long list of able men who have gone out of this colony during the last ten years because the colony would not pay them a

salary proportionate to their ability. I could start that long list and carry it on until I came down to perhaps the best and most able officer we have had in the Railway service - Mr. Hudson. And there sits the Minister for Railways, and he knows as well as any other member of the House that Mr. Hudson, who was the mainstay of his railway system, was allowed to go because he would not pay him an adequate salary. Surely this is sufficient answer to the honourable gentleman's argument that the Liberal party tries to keep men who are able by paying them good salaries. And then the honourable gentleman said that the honourable member for Hawke's Bay had accused the Right Hon. the Premier of bribery, and he said he did not know of such a thing taking place in New Zealand. I am afraid the honourable gentleman's political education has been neglected, or else that he will not see what his eyes will easily let him see if he only uses them. It has been only too common a practice, and many members of the House are well acquainted with the fact that open bribery has taken place. I refer, not to those indirect bribes which the Premier so often tries of this nature : Starting away into a constituency, as he often does, meeting there the electors of that constituency and saying, as he has said to them, " Do you expect any support from me, any financial aid from me, unless you give me something in return?" Is not that bribery ? I do not know what it is if it is not bribery. Then, I can quote other instances in which, for certain local public works, some districts have received the whole of the money required for those works. Take, for instance, the Otaki Bridge. In this case there was received from the Government the whole of the money to erect that bridge ; but when other members go and ask for some assistance for a bridge to be re-erected or built in their districts they are told-what ? That it can be done only on the condition that the districts find half the money. Did Otaki find half the money ? I recollect a few years ago that this House was confronted with so patent a bribe that they cut that bribe out of the estimates. I refer to a vote-I forget how much it was- that was put down for a Mr. McKeague, who proposed to be a Government candidate at the next election. On the estimates a vote was put down for a work on irrigation by this Mr. McKeague, and that vote was cut out of the estimates by the House. Mr. HALL-JONES. - And was voted next year. Mr. J. ALLEN. - Yes, Sir; and why? Because the Ministry were strong enough to make the House vote it. The House cut it out, as I say, and the Minister paid it without the authority of the House, and then with their strong majority they got it voted. Sir J. G. WARD. - I understand McKeague did not stand as a candidate. Mr. PIRANI. - Oh, yes, he did. Mr. J. ALLEN. - Then, Sir, I look to this year, and I come across an item the honourable member for Wanganui will be interested in. I am sorry he is not in the Chamber just now. I see a vote down for a Wanganui steamer, and I understand the story to be told about the Wanganui River steamers is this-perhaps the honourable member who has recently joined the House, Mr. Haselden, member for Patea, will be able to confirm what I say : that a subsidy for conveyance of mails, without any tenders being called for was given to Mr. Hatrick, who owned one line of steamers ; that an election was coming off; and that the owners of the other line of steamers which runs upon the Wanganui River, and in which a large number of settlers are interested, were grievously disappointed because no tenders were called for the carriage of mails on the Wanganui River, and they insisted upon it that a wrong had been done. To put the matter right, what happened ? A subsidy was given to these steamers as well. Now the Wanganui River is in a happy condition of having a subsidy for Hatrick's steamers and a subsidy for the

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other steamers as well, and no tenders were called for the conveyance of the mails. If that is not a bribe in view of the election that was coming off, then I do not know what a bribe is. And then. Sir, I was interested in the remark the honourable member made that wool is not a staple industry. I am sure the honourable gentleman has not been looking at the statistics of the colony ; or if he has, he has not been using his legal acumen and the ability which a lawyer generally uses- Mr. NAPIER. - I said "not the chief staple industry." Mr. J. ALLEN. - The honourable member said, no longer a staple industry. Then he ! went on to say that shortly butter and meat ! have been taken out of the revenue, as they are would be

the staple industry. I thought of meat, and I realised that meat meant to a very large extent "sheep." I wondered what became of the wool on the back of these sheep, and I realised that the honourable gentleman was actually only playing with language. And then, Sir, he introduced to us the new doctrine of the American railways. The American railways, so he says, according to the very latest authorities - which are the books out of the library - are not to be run in the interests of the pockets of those who own them, but in the interests of the community generally. And I thought of all these railway kings, and I wondered how they got their pockets so lined with millions in the interests of the community. And shortly afterwards the honourable gentleman answered the statement himself, when he quoted Jay Gould. When Jay Gould was asked if he would run these railways in the interests of the community Jay Gould answered, "What, run the railways in the interests of the people? I have contempt for the people, and respect only the lining of my own pocket"; or words to that effect, and I think that is the very principle on which the American railways are run. I do not say it is a principle which we ought to encourage in New Zealand. I believe the railways belonging to the State should be run in the interests of the State, and of those who live here. And then, Sir, the honourable gentleman had a few words to say about the surplus. Well, of course, I think here, too, he did not use that care which he ought to have used. He quoted the surplus as given in the Financial Statement, and I presume he is acquainted with the manner of keeping books; and, if he is, one would have expected him to put before the House a fair statement of what the surplus really was. Does the honourable gentleman include the liabilities, or the excess of liabilities, of this year over the last, or has he left them out altogether? He is a lawyer and book-keeper, and he knows perfectly well that the balance of liabilities now remaining over last year's liability ought to have been taken off the surplus, and he did not do it. He says the honourable member for Hawke's Bay misquotes; but the honourable member himself misquoted the surplus, and also the quotation made by the honourable member for Hawke's Bay. Sir, the surplus is not what the honourable member represents Mr. J. Allen it to be, not by an ordinary means of book-keeping; and he should have taken off that surplus the sum of \$70,000, the excess of liabilities of this year over last year, in order to have made a fair approximation of the surplus. He ought to have told the colony too - it ought to be told, time and time again - that on the revenue side of our accounts we include, and have included year after year - wrongfully, I say - our capital. We have been getting rid of our lands for cash and for deferred payment, and have been raising loans to pay the sinking fund, and all the moneys have gone to the revenue side of the account, and in any honest system of book-keeping those things ought to simply loan-moneys or capital that is gradually dwindling away. The honourable gentleman also says the land-values have gone up. We know they have. Times have been fairly good for the last few years. But why have the values gone up to the extent we see? The honourable gentleman knows, because he is interested in the Valuation Department as connected with the Advances to Settlers Department. He is interested as a lawyer. He knows, no doubt, the instructions that were sent round to the land valuers to run up the value of the land in every district where they possibly could to the highest point. The valuers carried out the instructions, and there is no doubt that was mainly the reason why values of land have gone up as much as they have. It is an easy matter to simply add a hundred or two to the valuation of any property in your books. That, however, is not a fair way to estimate the increase of the value of the land. Then, the honourable gentleman had a few words to say about the Cook Islands and, I think, Rarotonga, and he was objecting to the fact that Customs duties were charged on New Zealand imports into these islands that have lately been annexed to New Zealand. Customs duties are, I believe, charged - somewhere about 10 per cent. - against New Zealand, whilst the Australian Colonies have to pay the ordinary Customs duties. But, Sir, I had hoped, when he was touching on the Cook Islands and New Zealand, he would have given us his opinion about New Zealand's management of these groups. Notice, for instance, in this evening's paper that in Rarotonga the Government officials have embezzled \$800 or \$900 of the money, one of

them being the nephew of the gentleman who is in charge at Rarotonga, and this gentleman has had to pay \$500 out of his own pocket to clear the man, who is reported to have been drunk and to have cleared out with the money. That is a curious instance of how New Zealand is managing these islands. Mr. HALL-JONES .- That was before the annexation. Mr. J. ALLEN .- The honourable gentleman is quite wrong. This was done quite recent ... Then, Sir, the honourable gentleman went on to speak about the settlement of the land. He says that great progress was made during the year. Perhaps great progress has been made

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honourable gentleman was speaking on that subject that he would have examined more closely into some of the details of the land-for- settlements policy for the year. I am going to touch on only one point, and I will ask the honourable gentleman's consideration of it. We passed a law last year, or the year before, permitting the Government to buy land for workmen's homes, and under that law the Government have purchased land for workmen's homes. I will refer to one purchase near Wellington. It is in the Hutt Valley. It is called Epuni. It is three or four miles away from a railway-station. It is not a convenient place for workmen's homes. It has been purchased at a price of £90 per acre. The value of the land for taxation purposes is \$55. The real value of the land is \$65, and the Government have paid \$90 an acre for it. It was put up for settlement purposes. I think there were forty-three allotments, and up to a little time ago only sixteen of them had been taken up. I do not want to return to the question of bribery, but I should like to know the history of this Epuni Settlement. I should like to know whether any member of the House has been interested in that settlement. I have my suspicions, and I think that this transaction requires inquiring into, just as did Pomahaka. that is to be the class of land acquired for workmen's homes I am sorry for the scheme. I understood that land for workmen's homes was to be bought so near to the railway that it would be convenient for the men going to and from their work. This property is not suitable for workmen's homes; and if the honourable member for Masterton were here just now I would ask him what he had to say about the Epuni Settlement when speaking at the Land Board meeting the other day. If the honourable member for Auckland City (Mr. Napier) had examined closely the land-settlement scheme of last year he would not have been so strong in his praises of it. He spoke of the Whakatane leases of the Assets Board. At first I wondered who it was that was speaking so strongly on this point. Why, he should approach his leader, the Premier, for that honourable gentleman is the member of the Assets Board. Why does the honourable member not lay his grievances before him? I will now return to the Financial Statement. The honourable member for Hawke's Bay referred to the remarks that the Premier is reported to have made to the deputation that came from the West Coast. I believe he did make those remarks. I believe it, Sir, not only because of the reports of the newspapers, but because the whole Financial Statement bears out exactly what the Premier said. Let me quote a few words of the Financial Statement with regard to the position of the Consolidated Fund Account. On page ii., when dealing with the question of prudence and economy-and here I would remark that all through the Statement there is a cry for prudence and a cry for economy, both in connection with the Consolidated Fund and the Public Works Fund. I VOL. CXVII .- 41. for instance, the Treasurer says there is an "absolute necessity for prudence and economy ;" and on the same page he adds, " there should be a jealously guarded expenditure, for a restricted population can only bear a limited and reasonable impost of taxation." And, again : " the national expenditure should be cut down to the lowest limit consistent with efficiency, after providing for the necessary requirements." And on page iii. he says :- "If ever the time arrives when increased taxation is required to meet the ordinary expenditure, so surely will reductions in salaries eventuate. To avoid the contingency, and the injustice which arose in the past, it is well for those having responsibility to do their utmost to keep down expenditure.' On page xvii., "The estimates have been kept down to the lowest limit "; on page xviii. he says, "I have no desire to be pessimistic, but one

cannot be too cautious while framing the estimates for the year." Then, he says, on page xxiv., "With care and economy, it is reasonable to expect that there will be a fair surplus next year." Sir, the answer to these hollow shams-for they are hollow shams-is to be found on page xvii. of the Financial Statement, where we find that the Right Hon. the If Premier, as Treasurer, says this : "There is a proposed increase over last year's expenditure of \$284,111." And the significance of this increase does not come out till we begin to examine somewhat into the details. And then what does one find? I have no time to deal with last year's increases, but, over and above last year's increases, there are these which are in the estimates for this coming year. An increase of \$73,609 in the payment of interest; and the honourable gentleman who has just sat down said that the bulk of these loans which have been raised have been for revenue producing purposes, and that they earn enough interest to pay for the interest upon the loan. Is that true, in face of the fact that upon this year's estimates \$73,000 is set down for increased interest on loan-moneys ? Mr. HALL-JONES .- Where is the interest ? It is being earned, and it is the interest-earning investments which pay for this interest. Mr. NAPIER .- It is credited on the other side, which amounts to the same thing. Mr. J. ALLEN .- Oh, no; he is absolutely wrong. He knows no more about it than does the book before him. The interest earned by the revenue producing departments, such as that for advances to settlers and the land for settlements, and the interest payable on account of the loans for these purposes, is apart from these accounts, and does not appear on either side. Honourable members will find this interest deducted from the general interest charges on page 6 of the estimates. Then, Sir, with regard to the old-age pensions, we find an increase of some £18,000 but I will have something to say about old-age pensions later on. I could go through a whole list of these increases-new departments formed -Industries and Commerce, Tourists ; visit of their Royal Highnesses;

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inebriates' homes, increases to the railway | public works and conveniences has forced salaries over and above the classification-over and above the maximum classification by £21,000; increases in the Valuation Department-about which we were told a few years ago that it would only cost us this large sum for a few years, and then the cost would nearly disappear from off the estimates, and yet there is this further increase over last year. Then, Sir, there is this item : "Copies of Review of Reviews, £260." What in the world for ? Mr. DEPUTY-SPEAKER. - I am sorry to interrupt the honourable gentleman, but the rule is that in discussing the motion to go into Committee of Supply the separate items are not to be discussed. They are discussed in Committee of Supply. Mr. J. ALLEN .- Your ruling is a curious one, but in deference to it I will not discuss the items. As I cannot discuss the items, I will come to what every honourable member must have noticed in the estimates, and that is the general increases allowed on the high salaries. I will defy any one to look through these estimates and find that the Premier has put into practice what he has preached about prudence and economy. I defy you to find any single item-of economy, prudence, or reduction of expenses. On the contrary, you will find almost every item increased, and notably increases of £25, £50, and in some cases £100 in the high salaries. Sir, that is the way they practise prudence. They talk about it, they preach about it, and they are the ones who years ago used to preach, and practise too, the cutting-down of the high salaries and the raising-up of the low ones. Now we find that they are the very ones who are increasing the high salaries. And now, Sir, when we come to examine the accounts of the June quarter, to see whether the prudence, and economy, and care which has been preached in one part of the Statement is being practised, we find that in the first quarter of the current year there is an increased expenditure over the similar quarter of the previous year on the permanent and annual appropriations of close upon £150,000 ; and yet we have preached to us that we ought to practise prudence and economy. Then, we find that in the quarter the excess of expenditure over receipts is no less than £362,936. I admit this quarter does often show an excess of expenditure over receipts, but never so much as this year. Last year the excess was £155,000 ; this year it is \$362,000, an

increase in the excess of expenditure over revenue of no less than £207,000, and this after preaching the necessity of prudence and economy.' And now I come to the Public Works Fund, and this, to my mind, is a more serious matter than the Consolidated Fund. The same preaching occurs all through the Statement as to the necessity for prudence, for cutting down expenditure, and for decreasing the borrowing. On page ii. we find that the Treasurer says, "The eager and pressing desire for the rapid construction of Mr. J. Allen borrowing up to a limit beyond which it would not be safe to go." On page iii., "The increased ratio of population is much below that of the increased ordinary expenditure. For every million borrowed and expended on non-revenue-producing works and objects an annual charge of about 10d. a head is entailed upon every European man, woman, and child in the colony." Then, on page xxiii., "The time is most inopportune for extensive borrowing." On the same page, "Certainly the greatest care and economy will require to be exercised by myself and my colleagues to keep the public-works expenditure within the ways and means." Then, on page xxiv., he says. "There should be a tapering off rather than an increased borrowing as compared with last year." And on page xxvi., "I advise, and that in good faith, that at the present time the good steamer "Finance" should be steadied, and that "Slow," and not "Full speed ahead," should be the order on the dial." And how does he propose to go slow? On page xxiii. he says, "We estimate that there will be an expenditure of about £1,950,000 on public works." And that is the way he goes slow. During the last two or three years our expenditure on public works has increased very largely. From 1900 to 1901 the increased expenditure was £342,752, and the estimated increase in expenditure for 1901-2 is £642,489. And that is the way the Premier proposes to go slow, and to steady the good steamer "Finance." Sir, when we come to examine the account for the last quarter we find the expenditure on public works to have been £417,213, as against £151,640 for the June quarter of the previous year-an increased expenditure of a very, very large amount, and that at a time when he is preaching to us prudence. economy, and going slow. We find that the balance available for public works on the 30th June last was only £686,000. And now, let me come to this question-before, however, doing that I would like to point out the increased public debt during the last ten years -- the net debt has increased during the last ten years by £11,213,828. What have we to say now about the borrowing limit beyond which it is not safe to go ? The Premier preaches exceedingly well, but we find that the Premier very seldom practises what he preaches. This borrowing question is one the colony will have to face. We have come to rely now so much upon borrowed money that any check-either in the London market or here-in convenience of borrowing throws us upon our haunches at once. And we are being thrown very nearly on our haunches now, for we cannot face the London market at any reasonable price ; and the Premier talks about exploiting New Zealand and Australia. Before I come to the question of exploiting New Zealand and Australia I should like to point out what the borrowing has been in the last ten years, and for that purpose I have prepared the following table :-

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363,000 418,614 755,832 Total. -- Act, 1809." Nil Nil Nil dent Insurance € "Government Acci- Nil Nil Act, 1898." Nil "Dairy Industry 1899, and 1900. 1898, 1806, 1897, Nil Nil Nil Nil Settlement Acts, £ TABLE SHOWING THE ACTUAL SUMS BORROWED EACH YEAR AND CREDITED AS SHOWN. Works and Land Aid to Public .- 1 Nil Nil land Act, 1895." Nil £ " Bank of New Zea- and 1898. Nil Nil Nil 1895, 1894, Nil Acts, € vances to Settlers Government Ad- 1885." Nil Nil Nil Nil Purchasing Act, . £ " District Railways sols Act, 1894." Nil Nil Nil Nil "New Zealand Con- Lands Act, 1894." Nil Nil Nil Nil ment and Native £ "Lands Improve- 1 38,966.250,000 1893." Nil Nil Nil Payment Act, € "Cheviot Estate and 1900. 1894, 1897, 1899, Nil Nil Nil € ments Acts, 1892, Land for Settle- 1894." Acquisition Act, 27,700 72,000 Native Lands Nil Nil provement and € and " Lands Im- chases Act, 1892," " Native Land Pur- 1 116,500 163,713 157,000.316,532 6,314 Fund. to Public Works Nil £ leased and paid Sinking Funds re- 104,300 75,000 Bodies. € For Loans to Local 288,000 280,300 284,500 282,300 Sinking Funds. Debentures for Stock

Act, 1884": " Consolidated 1893 . . 1894 .. 1892 . . 1891 March. Year ending 31st 600,652 788,607 925,679 2,681,529 1,779,536 1,749,483 500,000 2,950,000 1,781 2,000 12,649,233 1,165,300 1,421,001 1,781 2,000 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil t These accounts were transferred to Public Works Account by section 17 of " The Appropriation Act, 1897." 465,000 750,000 610,000 900,000 225,000 Nil Nil * Alteration made at this time in system of d' awing loan, 1867 (see B3 .- 8A, 1898, and B .- 25, 1899). 500,000 Nil Nil Nil Nil Nil Nil Nil Nil 1,834,256 250, 000 250, 000 459, 389 47, 000 2, 380, 000 1,500,000 500,000 380,000 Nil Nil Nil Nil 47,000 Nil Nil Nil Nil Nil Nil 1 17,902 58,780 124,800 158,025 55,562 3,365 29,740 21,200 136,015 104,000 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil 219,000. 448,000 \- 25,100 163,200 305,990 135,000 499,000 399,700 109,200 160,000 30,800 +Nil Nil Nil Nil - : 152,000 54,682 93,800 12,896 1,695,700 1,280, 900 598, 507 73,900 43,360 64 872 74 Nil 1 111,400 176,000 105,500 115,500 52,800 69,600 *117,800 50,400 145,400 70,300 54,300 1897 . . 1895 .. 1898 .. 1899 .. 1900 .. 1901 .. 1896 ..

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I wish to run over the total to show how borrowing has been growing on us, and how borrowing departments have been increasing like a disease that we never seem to get rid of. In 1891 the actual borrowing for the year, including the debentures for sinking funds, was only \$363,000, and this sum has gone on increasing, as shown in the table, till last year it amounted to a million and three-quarters, and a total in the eleven years of \$12,649,233, or, for the ten years since Sir Harry Atkinson went out of office, \$12,286,233. Mr. SEDDON .- What was the amount for the ten years before that ? Mr. J. ALLEN .- I am not going to bother with that now, but it was nothing like that. \$12,286,233 has actually been paid into the coffers of the various departments during the last ten years, and the Premier knows it is time for him to consider whether the policy of heavy borrowing is to continue. It may be right when the markets are good, but when the money-markets fall our whole scheme of finance comes down like a broken reed. Now I come to what, to my mind, is the most serious thing in the whole Budget. The Premier has said, and everybody will agree with him, that the colony should keep the public works expenditure within ways and means. Mr. SEDDON .- Hear, hear. Mr. J. ALLEN .- The Premier says "Hear, hear." The total ways and means he had for 1900-1901 were, as recorded on page viii. of the Financial Statement of 1900 :- £ Cash in hand 139,749 .. Available out of loan 700,000 .. From Consolidated Fund .. 500,000 .. 1,339,749 In addition, the loan granted last 1,000,000 year . . . Total available ways and means up to 31st March, 1901 2,339,749 And the appropriations from 1900-1 2,196,365 were . . Leaving available ways and means, on the 31st March, 1901 £143,384 That available balance we did not have, and I do not know if in the history of the colony it has before occurred that at the end of the financial year the colony had no ways and means to meet its responsibilities. The expenditure during the year was \$1,307,511, and the liabilities at the end of the year were \$1,292,096. The total expenditure and liabilities come to £2,599,607, and, as I said just now, the total ways and means available was only £2,339,749, leaving a deficiency at the 31st March last of close on £260,000. Mr. SEDDON .- Why do you not say that is Public Works Fund ? Mr. J. ALLEN .- It is Public Works Fund. There was no money provided in ways and means on the 31st March last to meet our liabilities. We were short of ways and means Mr. J. Allen by £260,000. Now, I ask the Premier, and I ask the colony Mr. SEDDON .- I had a \$500,000 surplus. Mr. J. ALLEN .- " \$500,000 surplus ! " Yes; the honourable gentleman had transferred \$500,000 from the Consolidated Fund to the Public Works Fund during the year 1900-01, and I have given him credit for that. He said he had \$500,000 of surplus at the 31st March, 1901, and I know he had. He had no authority to transfer this surplus to Public Works Fund, and it did not on the 31st March last form part of the ways and means of the Public Works Fund. The point is this : that he incurred liabilities without having the money to meet them. It is not honest to do it, and it has been done this year for the first time, so far as I know, in the history of the colony. I regret that it should be so, and I am quite certain it will not add to the facilities we

require for borrowing money in London or elsewhere. In other words, I may place the matter in this way: Our liabilities on the 31st March were £1,292,096, and to meet these liabilities we had only available the balance in the Public Works Fund of £232,515 and an unraised loan of £800,000, making together \$1,032,515, leaving, altogether, a deficiency of close on £260,000. We have entered into liabilities that the honourable gentleman had no right to incur, and no money to meet. Would any tradesman do that sort of thing without knowing where the money was to come from to pay for liabilities he was incurring? I come now to page xxiii. of the Statement, in which the Premier says, "In endeavouring to bring our borrowing within reasonable limits, considerable difficulty has been encountered, owing to the heavy expenditure and liabilities which have been incurred during the last four months"-that is to say, since the 31st March, as I say, there was £1,292,006 of liabilities, and there was a shortage of £260,000 of ways and means to meet these liabilities on the 31st March: and the Premier in his Statement says the position is worse still four months later. I should like to see the accounts for the four months, and see what the expenditure and liabilities were, and what were the ways and means. I accuse the Premier of leading the colony into debt without having provided the money to pay those debts. Then I come to the question of loan-money required during the current year. The Premier says in his Statement, "I have some misgiving as to the amount to be asked for which will be sufficient to carry us on until next session." And well he may have doubts, as to how much to ask for to carry on till next session, as I find his balance of Public Works Fund on the 31st March, 1901, was only £232,515, and there is the unraised balance of loan of £800,000, and the £500,000 in the Consolidated Fund, which he will transfer, and he proposes a new loan of one million, making a total ways and means of £2,532,515, and he estimates public works expenditure at £1,950,000, leaving a balance of ways and means on the 31st March, 1902, of £582,515 to meet all liabilities. I ask honour-

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able gentlemen, in view of what the liabilities have been for the last few years, whether they imagine for a moment our liabilities on Public Works Fund on the 31st March, 1902, will be under £600,000. Even with his new loan of a million, and with his transfer of £500,000 from the Consolidated Fund, he is not providing ways and means to meet his expenditure and liabilities of the coming year, if there is any faith to be placed in his statement that £1,950,000 is to be the expenditure of the year. Mr. SEDDON.- I could have borrowed that £800,000 on the 31st March. Mr. J. ALLEN.- I told you that, and have included it; but I do not want to be interrupted now. Now, Sir, I come to the question of the borrowing-powers the Treasurer has, and I find they are enormous. Honourable members will perhaps be surprised, and I think the country will be surprised, to know that the Treasurer has, by balances available and by loans which he is authorised to raise, if he passes his million loan for public works and his million loan for advances to settlers, available during the coming year no less than five millions of money. Mr SEDDON.- No. Mr. J. ALLEN.- If he does not believe it I will give him the details. Mr. DEPUTY-SPEAKER said that, 10.30. in accordance with the order of the House, he must interrupt the honourable gentleman, as this was one of the nights when the House must adjourn at half-past ten. Mr. HALL - JONES (Minister for Public Works) moved the adjournment of the debate. Mr. DEPUTY-SPEAKER said he must rule that the motion to adjourn the debate was out of order. By the order of the House the debate was interrupted, and the honourable member for Bruce would be entitled to resume the debate when the order was, on next sitting-day, again called on. The only motion he could now receive was one for the adjournment of the House. Mr. SEDDON (Premier) said, in accordance with Mr. Deputy-Speaker's direction, he would move the adjournment of the House, and thus conform to the ruling of the Chair. He argued before that this Standing Order should be treated the same as the Standing Order which said that on a Saturday night at midnight the Speaker simply left the Chair, and went to work again at the same business at the next meeting of the House. That was what he contended; but he was overruled. He conformed to the ruling

of the Chair now, and the Order Paper would commence on Tuesday, not with the interrupted debate at half-past ten, but with the orders of the day, as the Government liked to fix them. The House adjourned at twenty-five minutes to eleven o'clock p.m. HOUSE OF REPRESENTATIVES. Tuesday, 27th August, 1901. The late Hon. J. Kerr. Mr. DEPUTY-SPEAKER took the chair at half-past ten o'clock. PRAYERS. THE LATE HON. J. KERR. Sir J. G. WARD (Colonial Secretary) .- Mr. Speaker, the duty devolves upon me of moving a resolution, out of respect to the memory of the Hon. James Kerr, and in doing so I would like to say that that honourable gentleman has been nine years a most esteemed member of the Legislative Council. As honourable members know, he left Wellington a few days ago, and last Sunday, on his way to Greymouth, he passed to his last rest under circumstances of a somewhat pathetic character. When he left here he appeared to be in his usual condition of health, and went away in a very cheerful mood. However, on the passage he contracted an illness which has, unhappily, proved fatal. The late Hon. Mr. Kerr has been a truly representative man. In the district to which he belonged he has served on a number of the local bodies - the Harbour Board, the Education Board, the Hospital Trustees, and on other public bodies. He has also, as many members of the House know, been the proprietor of one of the journals published at Greymouth for a considerable period. It is to his credit that he has worked himself up from a subordinate position in newspaper life to that of a newspaper-proprietor, as well as a member of the Legislative Council. No doubt it was largely due to the experience which he gained as a Pressman, and to his knowledge gained upon local bodies, that he was selected in 1892 as one of the twelve representatives appointed for seven years to the Legislative Council by the Ballance Government. It is a singular fact that the late Hon. Mr. Kerr is the first of those twelve members who has passed away. He and his family have been held in the highest possible respect and esteem in the district in which they have lived for so many years, and I think I am echoing the sentiments of honourable members when I say that during the nine years he was a member of the Legislative Council he has not made an enemy, nor has he left behind him a single member of either branch of the Legislature who entertains an unkind feeling towards his memory. His aim was to do his best in his day and generation for his fellow-men, and this House knows full well that he succeeded in doing much good ; and it will be some consolation for his family to know that his many excellent qualities are appreciated by his fellow-members of the Legislative Council and by the members of this House, and that the quiet, dignified personality that he possessed will long be missed in the Chamber with which he was associated. I move, That this House do now adjourn until half-past two o'clock to-

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morrow-Wednesday-as a mark of respect to | by that officer to the Hon. the Speaker. It is the late Hon. James Kerr, M.L.C. Mr. J. ALLEN (Bruce). - I have only a few words to say in seconding the motion. Time every now and again leaves its mark on this Legislature as it leaves its mark everywhere. We have not known the Hon. Mr. Kerr in this Lower House so well as we have known some other members of the Upper Chamber ; but at least those who have seen him about the premises must have been impressed with his quiet demeanour and with his venerable appearance, and I think the Legislature has lost a man of mark in losing the Hon. James Kerr. I am quite certain members of this House desire to express to all his friends their deep sympathy with them in their loss. Mr. FISHER (Wellington City) .- Sir, I first knew the Hon. Mr. Kerr when I was a youth in Melbourne, in the year 1857. He and my father were two of a co-partnership who owned the Melbourne Age before the advent of the Syme family as proprietors. Ebenezer Syme was their editor. In those years, as in later years, Mr. Kerr was always known to be an upright, honest, sterling man, who commanded the respect of every person with whom he was associated. I speak of that long connection with the fullest knowledge of what, in essence, the character of the man was. He was respected and esteemed by a very large circle of friends in the printing trade in Melbourne, and he carried with him that respect and esteem throughout his career in the printing trade of

the Colony of New Zealand. The honourable gentleman, the Minister for Railways, has paid a very worthy tribute to the memory of Mr. Kerr. It is a tribute well deserved, and one that Mrs. Kerr and her family, whom I know so well, will be glad to hear has been spoken in this Parliament to the honour of one who rose from what is customarily called "the ranks," and became a legislator in this the land of his adoption. In this case it may be said most truly that we can speak nothing but good of the dead. Motion agreed to. The House adjourned at ten minutes to eleven o'clock a.m. # HOUSE OF REPRESENTATIVES. Wednesday, 28th August, 1901. First Reading-4-per-cent. Debenture Loan-Breach of Privilege-Financial Statement. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. FIRST READING. Stud Bill. 4-PER-CENT. DEBENTURE LOAN. Mr. DEPUTY-SPEAKER. - I have to lay on the table a communication from the Controller and Auditor-General. It has been transmitted Sir J. G. Ward usual, I believe, to have these communications read. The communication was read by the CLERK, as follows :- " Audit Office, 27th August, 1901. "THE Controller and Auditor-General has the honour respectfully to submit to the House of Representatives, in accordance with the provisions of section 9 of ' The Public Revenues Acts Amendment Act, 1900,' a copy of the correspondence in a case under that section of a difference of opinion between the Audit Office and the Treasury on the question whether the 4-per cent. debentures for \$500,000, raised in the colony under ' The Aid to Public Works and Land Settlement Act, 1900,' have not been sold at a price which will yield to the purchasers on their purchase-money a higher rate of interest by the year than the maximum statutory rate of 4 per cent. per annum. " A copy is submitted also of correspondence relative to an Audit Office objection to the form of the debentures, in declaring their security by an expression not textually in accord with the "J. K. Warburton, Act. "Controller and Auditor-General. "The Hon. the Speaker of the House of Representatives." Sir J. G. Ward. - Sir, I think that the House might reasonably allow this document to stand over until the Colonial Treasurer is in his place. It is a matter affecting the administration of his department, and it would be a very unfair thing to do anything precipitately in his absence, or to render it impossible for him to make any statement he may desire to make, or to take from him the opportunity of moving any motion he may consider expedient, seeing he has a full knowledge of the whole of the facts. Under the circumstances, I will ask the House to allow the document to stand over, and to suspend any motion regarding it until the Colonial Treasurer returns. Mr. J. Allen -- I presume the paper will lie on the table in the meantime ? Sir J. G. Ward. - Sir, to put the matter in order, I will move, That consideration of the paper be postponed for a week. Mr. Herries (Bay of Plenty) .- Sir, I trust the result of the motion will be that the matter will be placed on the Order Paper. We do not want the paper to be lost. If the effect of the motion moved by the Minister for Railways is that it will appear on the Order Paper, I dare say some consideration can be given to it ; but I do not think that will be the effect, and I am afraid we shall never hear of the report again. I think the best course will be for the Minister to move formally, That the paper lie on the table, and be printed, and that some Government supporter should then move the adjournment of the debate. The question would then find its place on the Order Paper, and would come up in due course. I ask your ruling. Sir. as to whether the effect of the motion at present before us is to place the matter on the Order Paper.

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Mr. DEPUTY-SPEAKER .- Any motion that is adjourned for consideration would appear on the Order Paper. Mr. J. Allen (Bruce) .- I hope, Sir, the Minister for Railways will see his way to move that the paper lie on the table, and be printed. If he desires to move that it be referred to the Public Accounts Committee, that might be a matter for after consideration. I would suggest to the Minister that he should move that the paper do lie on the table, and, if he sees fit, be printed. Sir J. G. Ward .- The only object I have in view is to allow time for the Right Hon. the Colonial Treasurer to be present, and, under the circumstances, I think I will move that the document be referred to the Public Accounts Committee. Mr.

PIRANI .- Lay it on the table first. Sir J. G. WARD. - The Public Accounts Committee can then bring up their report after the Colonial Treasurer returns. I think that is the fair course. I move, That the communication do lie on the table, and be referred to the Public Accounts Committee for consideration. An .Hon. MEMBER .- And be printed. Sir J. G. WARD. - No; I will not move that at present. Mr. McGOWAN (Minister of Justice) .- I would like to say it appears to me that the statement of the honourable member for the Bay of Plenty with reference to the remarks of Sir Joseph Ward, Minister for Railways, is a most ungenerous one. The matter being one that more particularly affects the Colonial Treasurer's department, all that is asked is that it be allowed to stand over until that Minister is able to be present. I do not think there is anything to justify the suggestion that the paper might never be heard of again. Mr. PIRANI (Palmerston) .- It is a most unusual course for a communication like this to be referred to a Committee without being printed. There has never been an instance in the history of the Parliament of New Zealand where a communication from the Auditor-General to the House has been treated in such a cavalier manner. If this proposal is carried, members will not be able to peruse the papers until the Public Accounts Committee have reported. I do not think the Hon. the Minister of Justice was fair in his reference to the statement of the honourable member for the Bay of Plenty. That honourable gentleman made no imputation on the Post-master-General at all. The imputation was that it was possible, not that the Post-master-General would prevent it coming up again, but that the Premier might do so, he being the one most concerned. It may be perfectly right from his own point of view that this paper should be buried in oblivion, and we have no guarantee that that is not his intention. That being so, we can assume that that is the course he would follow. If the Minister does not intend that these papers should be printed, I think that the last communication from the Auditor-General to the Treasury, at any rate, should be made known to the members of the House, and so I intend to read it. It summarises correspondence extending over twenty pages, is dated the 26th August, and reads as follows :- Sir J. G. WARD .- I rise, Sir, to a point of order. I would like your ruling as to whether a portion of a public document from the Controller and Auditor-General can be read to the House by the honourable member before it has been laid on the table of the House. Mr. DEPUTY-SPEAKER .- It is quite usual for members to read or quote from documents proposed to be laid on the table. Mr. PIRANI .- I will read it right through if the honourable member does not mind, but I want to spare the feelings of the House. There is an opinion from the Solicitor-General as to whether "Consolidated Fund" means "public revenues ": "The Governor having determined that under section 9 -- Mr. DUNCAN (Minister of Lands). - I do not think it is right that this document should be read at this stage. It contains an ex parte statement by the Controller and Auditor-General. This, I consider, is taking a somewhat mean advantage. In my experience such a thing has never been done in the House before, and, if I am in order, I shall move, That the correspondence be not read. Mr. DEPUTY-SPEAKER .- I must adhere to my ruling that when any document is communicated to the House in this way, and moved to be laid upon the table, it is open to any member to quote any part of the document, or the whole of it. Mr. PIRANI .- I do not wish a partial statement to go to the House, and if the Minister will move that the papers be printed- Sir J. G. WARD .- Very well ; to avoid doing what seems to me to be unfair, I will move that the correspondence be printed. In a case such as this it is only right that the responsible head of the department should be present. And it appears to me to be a very extraordinary thing that on the first day of the Premier's absence this matter should have been brought forward. It would have been only fair to the Colonial Treasurer that, in a matter of such importance, he should have had some notice of the intention to lay an important document such as this upon the table; and, in order to prevent anything in the shape of what might be regarded as an ex parte statement, I think it would have been better if the document had been held over until the Colonial Treasurer, who is due here to-morrow, was in his place. I shall therefore move, That the paper do lie upon the table, and be printed, and referred to the Public Accounts Committee. Mr. PIRANI .- I do not think the

Minister is quite fair in his reflection about this correspondence being so promptly forwarded to the House by the Auditor-General. He must remember that the law says that, in the case of a dispute between the Auditor-General and the Colonial Treasurer, when the Governor intervenes the correspondence must forthwith be laid on the table. Now, the Government do not follow the law, where they are directed to lay returns on

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the table forthwith, or at certain times, and it is refreshing that there is one official in the Civil Service who does respect the law so far as that is concerned. This correspondence apparently extends over some time. The last letter is dated the 26th August, and if it had been held any longer from Parliament it would have been a highly improper thing. I am glad the honourable gentleman has decided to allow this to be printed, because we ought all to know what is in the correspondence. Mr. MASSEY (Franklin). - It might be better to divide the motion into two parts, taking the first part down to the word "printed." Sending the paper to the Public Accounts Committee will have the effect of preventing any member from referring to it in the course of the financial debate. I do not think the suggestion that this matter should be postponed until the arrival of the Treasurer from the South is unreasonable, but it seems to me that we should simply postpone consideration of the matter until to-morrow, and then take a discussion upon the arrival of the Treasurer from the South. Mr. MONK (Waitemata). - I am not posted up in every phase of this matter, but it seems to me that this is a document belonging to the House, and with which the Premier is already familiar in his position as Treasurer of the colony. I do not see what can be gained by referring this to the Public Accounts Committee. I am seeking information, rather than objecting to it ; but, if there is anything in what the Hon. the Acting- Leader has said, it seems to lose it, for the Premier must already be informed of these documents, and have made up his mind on the matter, and must have been aware that this document was coming before the House. Mr. HUTCHESON (Wellington City). - I just want to say a word or two in reference to the somewhat ungenerous explanation given by the Postmaster-General as to the motive actuating the Controller and Auditor-General in submitting this document to the House now. Honourable members will recollect that when the Premier was speaking in connection with the Public Revenues Bill, some few days ago, he used something like these words, "Honourable members will perhaps get a fresh instance within another forty-eight hours showing the necessity for the passing of this Bill." That shows, I think, that the Premier was aware that this document was about to be presented to the House. An Hon. MEMBER. - What do you find fault with now ? Mr. HUTCHESON. - I am finding fault with the attempt to deprive the House of what belongs to it by statute. The report is presented to Parliament, and not to the Government. The terms are apparently synonymous in the mind of the honourable member, and I admit that the time is fast approaching when they will be synonymous, but they are not so yet. I submit that each member of the House has the right to a printed copy of that document, and that he has also the right to use whatever information is in that document ; and I simply say that the Mr. Pirani reference of this matter to the Public Accounts Committee will close the mouths of members of the House so long as it is before the Public Accounts Committee-that during that time the House will be dumb on this subject. I do not think that is fair. I agree with those honourable members who state that the matter ought not to be brought on for discussion in the Colonial Treasurer's absence. I have as keen a sense of fairness and decency as any honourable member, and I agree that, as he is intimately concerned with this matter, we ought not to discuss it in his absence. At the same time I submit that every member of the House ought to have a printed copy of this document in his possession at as early a time as possible. Mr. BOLLARD (Eden). - I beg to move, as an amendment, That the paper be laid on the table and be printed. Sir J. G. WARD (Minister for Railways). - I will tell the House why I think they should adhere to the motion which I first proposed, and why I think they should negative the amendment of the honourable member. I pointed out earlier that, as a matter of courtesy -to say nothing of its fairness-the Colonial Treasurer, who

is in charge of this department, ought to be present when this report is being dealt with, and I therefore moved that consideration of the paper be postponed for a week. Honourable members upon that side of the House immediately took exception to it, and they asked that the report should lie on the table, and be printed. I then agreed to do so. Very well ; now they move an amendment. The course I first suggested, to have consideration of the report deferred until the Colonial Treasurer is here, was, I think, the better course ; but as soon as honourable members get my resolution before the House, that this document be laid upon the table, and be printed, and referred to the Public Accounts Committee. then they ask that the consideration of 3.0. the matter be postponed until to-morrow, and if by any chance the Colonial Treasurer is not here to-morrow they will go on with its consideration in his absence. I submit that the right thing to do is to allow the document to be printed, to go to the Public Accounts Committee, and then, when the Public Accounts Committee has reported on the matter, the Colonial Treasurer, from his seat in the House. will have the opportunity of criticizing and discussing the whole question. I think that is, under the circumstances, the best course to take. I may say that I made no reflection whatever on the Controller and Auditor-General in stating that it was unfair, in the absence of the Colonial Treasurer, to present the papers to the House. I am still of the opinion I expressed, and I most certainly think the Colonial Treasurer should be here when such a matter is being dealt with. I do not agree with the view of the honourable member for Palmerston that this report should be held over until to-morrow. as no benefit would be achieved. It is admitted that it cannot be discussed now in the absence of the Colonial Treasurer, and it would therefore surely be better to have it introduced into the

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House when the Colonial Treasurer is present, and then we could have a full discussion on the document in the ordinary way. I suggested at first that the consideration of the report should be postponed until the Colonial Treasurer's return, but the honourable gentlemen opposite opposed that course ; and when I moved a resolution on the lines indicated by those honourable gentlemen, they then wanted something else. They evidently do not know their own minds. I hope the House will get the matter out of the road, so as to allow us to proceed with the next business. I think I would not be doing my duty, in the absence of the Colonial Treasurer, were I not to refer to one remark which was made by the member for Wellington City (Mr. Hutcheson). That honourable gentleman assumed, from the remarks uttered by the Colonial Treasurer a few days ago-and here I might say, Mr. Speaker, the honourable gentleman was referring to a former debate-that the Colonial Treasurer referred particularly to this document. When the Colonial Treasurer is here he can answer for himself. I do not know that he was referring to this document at all. I do not believe, myself, that he was referring to it ; but, as I say, I do not know what was in his mind. I believe he was referring to another matter, and to say that because of the introduction of this letter and this correspondence the Colonial Treasurer was paving the way on a former occasion for what is contained therein is not a fair statement to make in his absence. Mr. HUTCHESON .- It fits in all right. Sir J. G. WARD .- I do not know that it does. I have not read the documents. Honourable members may have had the opportunity of reading them, but I have not. The fair thing to do is to refer this matter to the Public Accounts Committee, allow the Committee to report on it, and then afterwards take the debate when the Colonial Treasurer is present. Mr. FISHER (Wellington City) .- I wish to point out to the Minister for Railways that he makes the very same mistake the Premier makes, through an excess of courtesy, in endeavouring to please the honourable gentlemen opposite. That is where the Premier always fails. If the honourable gentleman had stuck to the course he originally proposed he would have done what I consider to be the proper thing. There is no question that it is the intention of the House to refer this report from the Auditor-General to the Public Accounts Committee. That is the course which ought to have been adopted. My colleague, Mr. Hutcheson, said the Premier a few days ago stated that within forty-eight hours the House would be called upon to consider another such report as the House was then dealing

with, and the honourable gentleman said he knew this was the very report the Premier was referring to, and that therefore he ought to have been here to deal with it. Well, suppose the Premier did know that this report was coming up from the Auditor-General, he could not have known then of the death of the Hon. Mr. Kerr. The honourable gentleman's absence is thus easily accounted for. But I do not think the Premier, when he spoke the other day, was referring to this matter at all ; and it does appear strange that the report of the Auditor-General was not presented to the House before to-day. And it appears still more strange that certain members of the House are so familiar with the contents of this report. Every time a report from the Auditor-General comes to this House certain members of the House seem to know all about it ; while the members on the Government benches know absolutely nothing of what is contained in the report. I undertake to say, from something that has passed under my observation to-day, that the gentlemen in the newspaper gallery are cognisant of the contents of the report already. The medium of communication between the Auditor-General and this House used to be the member for Patea, Mr. George Hutchison ; but although he is not here the information still comes round in the same way, for, when a report reaches Mr. Speaker from the Auditor-General, immediately certain members are ready to take action on that report. I would be sorry to balk those honourable gentlemen, or to step in and interfere with them in any way. If the honourable gentlemen wish to spring a surprise on the Ministry I have no objection, the House has no objection, and the Public Accounts Committee can have no objection. Let the honourable member for Palmerston amuse himself in his ordinary way, but I hope the Acting-Premier will not fall into the error of the Right Hon. the Premier, and fail through too much excess of courtesy. Mr. MASSEY (Franklin) .- I would just like to say a word or two in reply to one or two statements that have been made. There is no desire on the part of any member on this side of the House to take advantage of the absence of the Hon. the Treasurer. We feel that he ought to be here in connection with this matter, and I point out again that the effect of carrying this motion will be to prevent any member who wishes to refer to this matter in the course of the financial debate from doing so. I think the proper thing to do in this connection is to carry the amendment proposed by the honourable member for Eden, Mr. Bollard, to omit all words after the word "printed." It will then read, "That this paper lie on the table, and be printed," and when the Treasurer comes back to Wellington it will be competent for him to give notice of motion to bring it before the House in the ordinary way. I think that is what ought to be done. Mr. PIRANI (Palmerston) .- The honourable member for Wellington City (Mr. Fisher) told us a few days ago he was going to mend his ways, and insist on the Government taking the proper measures to carry on the business of this House according to the Standing Orders. He was going to keep a stiff backbone, and was going to insist on the Government carrying out the Standing Orders, and, if the Opposition had not the backbone, he was going to show them

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how to do it. Here is the very first instance that has come before the House since, and the ordinary course to be followed would be that this communication from the Auditor-General should be printed, so that members of the House would know what it is. Then, the honourable gentleman complains that there are members on this side of the House who seem to be conversant with the correspondence ; but I ask any honourable member to take up that correspondence and look at the last three pages, and there they will get the whole of the dispute nicely summarised. There is no need for any honourable member to take any time over the matter, as it is all set out there in the concluding pages as clear as daylight. It is all very well for the honourable member to talk about our being sharp to follow up what comes from the Auditor-General, but do we not know that in previous sessions questions of this sort have been referred to the Public Accounts Committee without being printed, and they have been buried in that Committee until the end of the session ; and not only was the House prevented from discussing the matter, but members were not even able to read the papers, because the only copies were before the Public Accounts

Committee ? It is that necessity that has sharpened the wits of those who think it is right that not only the representatives of the people here, but the country generally, should know what are the disputes that are taking place between the Auditor-General, who is the representative of this House, and the Treasurer, as the executive officer of the colony. The object for which I spoke has been attained. The Minister has consented to have the correspondence printed, although it would have been better if he had not added the tag as to the Public Accounts Committee - a Committee which, from the very fact that the honourable member for Wellington City (Mr. Fisher) is the Chairman, is utterly useless in matters of this kind ; because, if a matter that ought to be discussed by members is considered, he takes very good care that there shall be very little opportunity for such discussion, and in this way does not even attempt to mend his ways. I do say that it is the right of the House to have these matters properly brought before them ; and if less objection were shown to considering questions of this sort, such doubts would not arise in the minds of members as now often do about disputes which arise between the two departments. The House divided on the question, "That the words proposed to be omitted be retained." AYES, 37. Allen, E. G. Fraser, A. L. D. McNab Gilfedder Meredith Arnold Barclay Millar Graham Bennet Hall Mills Hall-Jones Buddo Morrison Carroll Hanan O'Meara Hornsby Palmer Duncan Field Kaihau Parata Fisher Lawry Smith, G. J. Flatman McGowan Steward Mr. Pirani Symes Tellers. Ward Carncross Tanner Willis. Thompson, R. Stevens. NOES, 19. Allen, J. Hardy Rhodes Russell, G. W. Hutcheson Atkinson Bollard Thomson, J. W. Lang Collins Laurenson Lethbridge Ell Tellers. Herries Fowlds Monk Fraser, W. Pirani Massey. PAIR. For. Against. McGuire. Smith, E. M. Majority for, 18. Amendment negatived, and motion agreed to. BREACH OF PRIVILEGE. Mr. PALMER (Ohinemuri) .- Sir, as Chairman of the Goldfields and Mines Committee, I wish to bring under the notice of the House a breach of privilege. I have been directed by the Goldfields Committee to report that the Committee have come to the following resolution :- "Resolved, That the Chairman of the Committee be directed to call the attention of the House to the publication, on Friday, the 23rd August, 1901, in the Dunedin Star, of evidence given before this Committee, this Committee not having yet reported on such evidence." I have the paper -the Dunedin Star - with me, which I will lay on the table of the House. I move, That this report lie on the table of the House. The evidence is in connection with a petition we are hearing - Mr. Easton's petition ; and Mr. Cook, against whom there are charges levelled in the petition, has complained to the Committee that the evidence has been printed, and I am directed by the Committee to report this to the House. As you will know, Mr. Speaker, it is in contravention of No. 229 of our Standing Orders to publish any evidence given before a Committee before that Committee has reported to the House. I move, That the petition lie on the table. I may say, in regard to the evidence, I have looked at it, and that it is a full, true, and correct report of the evidence. And not only has the reporter of the Dunedin Star given a very true account of the evidence, but it appears to me that he has been fair to both sides, because the evidence for both sides is published in that report. Mr. DEPUTY-SPEAKER .- Perhaps it will satisfy honourable members if a portion of this extract is read. Under our rules it is absolutely necessary that what is printed in the paper, or some portion of it, must be read. The Clerk will read a dozen lines or so. The CLERK then read the extract, as follows :- " The following evidence has been given during the past week before the Mines Committee in connection with the petition of Mr. H. E. Easton for the setting-up of a Royal Commission to inquire into the flotation and

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past management of certain mining companies named by him :- " Herbert Ernest Easton, examined on oath, said :- I am the petitioner. In view of the grave nature of the charges I am about to make in support of my petition, I ask permission to read my statement, in order to avoid errors and facilitate business. Before giving you my reasons for the action I have taken, I wish to explain how I come to be mixed up in what appears one of the greatest scandals in mining history of modern times. Last year I landed in New

Zealand from the Old Country, commissioned by some influential and wealthy friends to look into the dredging industry, prepared to invest for them a large sum of money, not, I may tell you, for mere speculative purposes, but for investment. To satisfy myself that the claims were genuine, I inspected a large number of the properties quoted on the Stock Exchange lists, and to facilitate my business dealt with a Mr. W. R. Cook, a man who I thought could be relied on, seeing that he had been engaged as a liquidator to several very large estates; and the fact of such appointment having been made by the Supreme Court of New Zealand appeared to me, though a new-comer, sufficient guarantee to warrant my having thorough confidence in him and in his advice. An incident occurred, however, which created a suspicion in my mind that all was not as it should be. I at once went from Wellington, where I was living, to Dunedin, and asked to look over the share registers, which showed a deplorable state of affairs, and I found myself face to face with what appeared to be serious irregularities, which tended, if unchecked, to bring ruin to a very large number of investors in this colony, and which seem to me to be in open defiance of the spirit of the laws of the country which Parliament has placed on the statute-book, this being done by clauses being altered or struck out when framing the articles of association, the effect being, I am told, to render the Act absolutely valueless as a safeguard. If this is so, it is a most serious state of affairs, and one which I fear, if action is not taken, will seriously retard investments in the colony, and ruin what should be (if carried out on honest lines in the spirit of the Companies Act of 1882) one of the most profitable and popular industries of New Zealand. The industry itself is, in my opinion, a good one; the Acts alluded to provide safeguards for investors, but these Acts are worthless if men who trade and make a living on the credulity of the public are to be allowed to draw up contracts and articles of association in direct contravention of the spirit of these Acts. Happily, though to some extent implicated myself, I was in time to prevent any of my friends' money being swallowed up in the maelstrom. I then set about to try to right matters, and that my action in exposing these irregularities is meeting with approval is evident by the number of letters I have received and am receiving from all classes in all parts of the colony. But I found my task much harder than I anticipated, owing to my inability to fully ventilate the subject in the Press on account of the newspaper proprietors being in fear of libel actions. Hitherto the subject does not appear to have been prominently under the notice of members of Parliament, and as I did not feel inclined to submit to what I thought was a great wrongdoing, I determined to take action alone, and now come before you voicing the views of holders of thousands of shares, many of whom are struggling men and women. Of the latter I can, if required, give you as an illustration a most sad case. I respectfully ask you to take the matter up, and afford such redress as is possible to those now suffering from the state of affairs existing. The irregularities complained of are as follow: (1.) I find in many companies, especially in those floated by Messrs. Cook and Gray, the articles of association are so drawn as to override what may be classed as the safety clauses of the Act under which they are framed, thereby allowing a few holders of shares to obtain almost absolute control of the companies. (2.) Large blocks or parcels of shares have been allotted to office clerks, who are evidently unable to meet the liabilities, as they have, up to the present, paid next to nothing on them. In one company floated by Cook and Gray one-seventh of the contributing capital was allotted to an office clerk in the employ of Mr. W. R. Cook, the promoter, vendor, broker, and director of the company. Another clerk was secretary, and the registered office of the company alluded to was in Mr. Cook's office. And yet Mr. Cook has obtained brokerage on the said shares, taken from money paid in by genuine or qualified shareholders. (3.) Officers of companies are being registered in the same offices as promoters, these promoters acting as promoters, vendors, and directors, and their employés as secretaries. (4.) Brokers are receiving brokerage on shares upon which no money has been paid. (5.) Shares registered in some cases improperly kept. (6.) Improper auditing. (7.) Directors have struck calls and invoked the law against defaulting shareholders at a time when they (the directors) are owing very large sums on their own

shares. (8.) Directors passing transfers at a time when money is owing to the company by the seller. (9.) Vendors making a profit, on liquidation, upon shares which have cost them nothing. (10.) Directors receiving fees whilst almost entirely neglecting the business of the company. (11.) The formation of secret rings for speculative purposes only by promoters and directors at a time when the public were being asked to subscribe money to be used for mining purposes. (12.) That out of twelve companies, with an aggregate capital of £100,000, floated by Messrs. Cook and Gray, eleven must, in my opinion, go into liquidation. But for the action taken by the holders of vendors' shares many of these companies would have been wound up long ago. It may interest you to know, if you are not already aware of the fact, that the total capital of the Otago and West Coast gold-dredging companies is, roughly speaking, two millions and a half sterling. Gentlemen, what I have stated

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will give you some of my reasons for placing my petition before Parliament. During the past six months, through the kindness of many newspaper proprietors, I have published in the Press of this colony letters, all over my own name and address, calling attention to the deplorable state of affairs in connection with the management of the dredging industry, and making the charges just alluded to, none of which, I may tell you, have up to the present been repudiated. In order that the suspicion and reflection which exist at the present time on the commercial morality of the colony, to the detriment of what should be a sound and profitable industry, should be removed, on behalf of a very large number of investors, who are suffering without much hope of relief unless from Parliament, I would urge you, in the interests of the mining industry, in the interest of the progress of this colony, to pass immediate legislation to prevent this blot on the commercial morality existing any longer, and to appoint a Royal Commission to investigate the grave charges which have been made in the Press for some time past. That is my statement. "Can you give us any particulars of the companies mentioned in the petition? - Yes. have prospectuses of some of them with me; the others I can produce later on. I would like to make some remarks on these prospectuses. " We will be pleased to hear you now. - I would like to refer to the No Town No. 2 Company. I find that it was floated by Messrs. Cook and Gray, that Mr. W. R. Cook acted as vendor and as broker, the registered office of the company being at Cook and Gray's office, 17, High Street, Dunedin. The secretary of the company, Mr. W. Holsted, was an employé of Mr. Cook's, and Mr. Cook was until recently a director of the company. Mr. Cook had profits as vendor, salary as secretary, commission as broker, and fees as director. The prospectus of this company contains a long report signed by Mr. J. Howard Jackson, C.E. On Mr. J. Howard Jackson's name appearing on this prospectus there was a great rush for shares, and they were quoted at several shillings He has also repudiated premium. having signed such report in the public Press of the colony. Now, directly the public read Mr. Jackson's repudiation, and knew of the deception that had been practised on them, the shares fell to a considerable discount, and have since been unsaleable. At the time when Mr. Cook and his employés were owing money on their shares-hundreds of pounds sterling- small shareholders were being sued for their arrears. "Can you tell us anything about the Lees Ferry Company? - The Lees Ferry Company was registered on the 9th April, 1900, under the Companies Act of 1882. The capital- £8,000-was made up of 2,000 vendors' shares, allotted as follows : C. T. A. Broad, 120; Mr. J. Gill, 200; Mr. O. Kaye, 120; Mr. J. Taylor, 520; Mr. W. R. Cook, 1,040. The contributing shares, allotted as per share register, were 5,375 ; unallotted, 625: making a total of 8,000 shares. I understand that Mr. Cook was the purchaser of this claim, and also vendor to the company. It was stated on the prospectus that there was a deed of sale from Joseph Taylor to Mr. Cook, based upon the contracts filed at the Registrar's office. The deed of sale from Mr. Cook to the company is dated the 9th March. 1900, while the articles of association are dated the 1st March, 1900. The dates on these deeds have been altered, but the alterations have not been initialled. I find that some of the persons who signed those articles of association did not pay for the

shares they took on signing those articles of association, nor do their names appear on the share register of the company. In connection with this company I find that the register has been improperly kept ; in some cases the addresses of shareholders have not been entered, and pencil notes have been made directing that in the case of a Mr. and Mrs. Farley all notices of calls due from them were to be sent direct to Mr. Cook. Mr. Cook was a promoter of this company, he was a broker, he was a director, his nominee - Mr. W. Holsted - was the secretary, and the registered office of the company was in Mr. Cook's own office. The share register on the 31st July, 1901, states that no money had been paid on 250 shares, that allotment-money was owing on 1,600 shares, and that Mr. Cook's late partner, William Gray, owed allotments on 500 shares. Now, on all these shares Mr. Cook has received 23 per cent. brokerage out of moneys paid in by the genuine and qualified shareholders. I find also that Mr. Cook received twenty guineas for attending as director only one meeting during the first year of the company's existence. The prospectus states that this company cannot fail to get large returns of gold, and recommends the property as a good and safe investment for capital. This claim was tested at the expense of the qualified contributing shareholders by his (Mr. Cook's) own employe, Mr. Chester, as a mining expert, and was condemned by him as absolutely valueless. Chester, Mr. Cook allowed another of his nominees, Mr. Howes, on the 26th March, 1901. to use his (Mr. Cook's) proxy and vote against the liquidation of the company. After the investigations made in March, 1901, by the special committee deputed by the Dunedin Stock Exchange, of which report you have heard, this company was immediately removed from the lists and quotations of the Exchange. Upon Mr. Cook's resignation from the Board I was selected in his place on the 11th March, 1901. His employe, Holsted, then issued a notice for the first annual meeting, in which two out of the three directors were made to retire instead of one. On the 26th March. 1901, when the annual meeting came on. his other employe, Howes, nominated himself as director, and, by using his employer's (Cook's) proxies, secured the seat on the Board and removed me. I went with my solicitor to inspect the deed of sale, which the prospectus stated could be inspected the office of the interim secretary. Mr. Ho

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the company, and gave a written order to the company's solicitor to produce the document. This the solicitor declined to do. I find that in June last Mr. Cook's late partner, William Gray, and other large shareholders gave evidence on oath, in defending payment in respect of shares, to the effect that Mr. Cook assured them that the liability of the shareholders in this company was only 1s. per share, and that Mr. Cook had stated that this and other companies were entirely under his own control- that he had arranged for the other directors to be his nominees. A Mr. R. H. Abbott stated, in sworn evidence, that Mr. Cook promised him, if a market existed for the shares he would sell sufficient of the shares that Mr. Abbott applied for to make the balance fully paid up. At the last meeting of this company Mr. Cook's nominee and employe, Howes, stated that if a resolution to liquidate was carried, the liquidation might be very expensive to the shareholders, as his employer, Mr. Cook, might claim to receive a dividend from the contributing shareholders on his vendor's shares. " Questioned as to the Auckland Beach Back Lead Gold - dredging Company (Limited), the witness said : It was registered in August, 1900, the promoters being Messrs. Cook and Gray, the interim secretary Mr. W. R. Cook, the vendor to the company Mr. W. R. Cook, and the capital £9,000-2,500 fully paid-up shares being allotted to vendor as part payment, also £500 in cash to the vendor, and the cost of flotation and registration. The prospectus After states, 'Will yield excellent returns.' 2s. per share had been paid by the contributing shareholders the claim was condemned by Mr. Cook's own employe and expert, Mr. Chester, as valueless. This company was liquidated some months ago, but up to the present time no statement of accounts has been rendered. " As to the Tucker Flat Company, the witness said : Up to the 28th February last £479 4s. 9d. of the shareholders' money had been spent, and no attempt made to either design a dredge or build the

pontoons. On the 15th July an extract from the share register states that £12 10s. was due on application-money, £90 on allotment- money, and #836 owing on the first and second calls. Included in these sums was £50 owing by Mr. Cook's wife, and £90 by Mr. W. R. Cook. That was on the 15th July of this year, and at that date no dredge had been ordered or contracts made. I find that the share register has been improperly kept, the shareholders' addresses not given, and pencil notes directing, in some cases, all notices of calls to be sent to Mr. Cook. I find, also, that certain shareholders have stated in sworn evidence that Mr. Cook promised that only 1s. per share should be called up, and that his co-directors should be his nominees. During the time that I was a director I declined to pass a transfer of 250 shares which Mr. Cook had, by a bill, taken over from a Mr. L. S. Benjamin. On my removal from this Board this transfer was put through by Mr. Howes, Mr. Cook's em- and who is now, as I have stated, chairman of the company. He passed the transfer with £25 owing. On the 15th July, 1901, Mr. Cook's bill to Mr. Benjamin was dishonoured. For what purpose, other than the promoter's benefit, is this company existing ? " The witness next referred at length to the Ross Day Dawn Gold-dredging Company, the circumstances in connection with which, he said, were much on the same lines. He alleged that, at the time when very large sums were owing to the company by Mr. Cook and his employés, Mace and Howes, other smaller share- holders were being summoned and threatened with distress warrants. " With regard to the Ngahere Company, the witness alleged that Mr. Cook's employé and clerk, Edward Mace, held no less than one thousand contributing shares, and up to the time that he (Easton) left Dunedin only £50 in respect of these shares, out of #100 due, had been paid ; and yet on the balance of those shares Messrs. Cook and Gray received 2} per cent. brokerage from the genuine or qualified shareholders. " As to the Wicklow Company, registered on the 3rd March, 1900, the witness stated that on the 27th July of this year application- money was owing on 250 shares, allotment- money on 1,250 shares, and on all these shares Cook and Gray had received 2} per cent. brokerage from the moneys paid in by the qualified shareholders. Mr. Cook, who was elected a director on the 9th April, 1900, received twenty guineas for attending one directors' meeting only during the year. "Mr. Easton added : ' I may mention, gentle- men, that I joined the Boards of these four companies for the express purpose of breaking up these rings of monopolists ; and I had no other object, as I have stated over my name and address through the papers of the colony, than to smash the companies up and break up these rings of monopolists.' "Mr. W. R. Cook's evidence was to the effect that grave charges had been made, and he wished an opportunity to look into them, in order to see how far they were true, though he knew a very great deal of what had been said was absolutely untrue. He would like to get all the documentary evidence for the Com- mittee's information. He had not been in Dunedin for more than three weeks during the past eighteen months. With a view of refuting or supporting Mr. Easton's evidence, he asked the Committee to order the production of the companies' books and to summon the secretaries and directors. The witness then proceeded to make a statement, reserving the right to ex- amine Mr. Easton subsequently. He declared (so it is understood) that he was never at any meeting when the shares in the Cook and Gray companies were allotted, and, personally, had nothing to do with the allotment. Possibly he might have been at one meeting when the allot- ment occurred. As to the statement that, of the twelve companies floated by Cook and Gray eleven would go into liquidation, he was pre-

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pared to say that five of them were paying. The articles of association were prepared by Mr. Allan Holmes, solicitor. In every one of the twelve companies he (Mr. Cook) held at least five hundred contributing shares, and Mrs. Cook had a like number. All calls had been paid on them. The statement that his wife owed £50 on the shares in the Tucker Flat Company was a surprise to him. If there was such a liability it was one call of 2s. per share. He paid up 20s. in the pound on the Ross Day Dawn shares on the 2nd May. He held 900 contributing shares, and had paid £900 on them. On the 19th April, the date of

his alleged liability, he had been away from Dun-edin for some months. Mrs. Cook and himself had to date paid £600 on contributing shares in the No Town No. 2 Company. Both Mr. Jack-son and Mr. John Don had reported favourably as to the No Town claim. The adjoining mile of creek had been visited by Mr. Cutten, whose report appeared in the prospectus. In regard to all the other companies Mr. Don was sent to prospect and report, half of them he con- demned, the prospectus disclosing a favourable report as to others. His report was printed without comment, and companies were floated thereon. He (Mr. Cook) had never sold a vendors' share, though several went up to a premium, and now stood to lose more than any one connected with the companies in question. He ridiculed the statement as to the directors being his own nominees; the articles of association were signed by seven shareholders, who nominated and elected the directors during his absence from Dun-edin. After being elected a director on most of the companies, he was asked to look after their interests on the West Coast. He did not know that his fees had been paid : they were paid into the office and receipts given by the clerks. His services, for which the directors had made him an allowance, were inspecting matters on the Coast. Mr. Gray's evidence about misrepresentation was probably the out- come of pique-a forced dissolution. When this evidence was given in Court the Magistrate declined to hear the witness, holding that there was no misrepresentation. The Dunedin Stock Exchange meeting was a one-sided affair. The Auckland Beach Back Lead Company went into liquidation before shares were allotted, owing to Chester's report. Mrs. Cook and himself each held five hundred shares in that com- pany, but they never had a vendors' share. To that company he paid \$50 in calls, and Mrs. Cook paid \$50. There were not more than five hundred shares sold outside of Hokitika-the Hokitika people. Mrs. Cook, and witness bought the lot. Witness proceeded : What Mr. Easton had said about himself coming out here to look into dredging was absolutely untrue. On this point the witness said that he came out here on family affairs. I may say that he is, unfortunately, a connection of mine by marriage. He came to me and thrust himself upon me, saying that he wanted to go into the dredging industry, and asking me to advise him. This I refused to do, but after some pressure he went to the Coast, saw the claims there, and wanted me to sell him an interest in the companies-the Tucker Flat Company and others. I declined to do so, but told him that I knew a man who was carrying more shares than he wanted, and I would try to get these from him at par. Mr. Easton said, "If I can get in, and the Grey River turns up trumps, the others will jump." The Grey River Claim did not turn up trumps, as we anticipated, and Mr. Easton was left with his shares, the same as other people. No money has been spent in building dredges for any of the companies, and if they are wound up we shall lose our 2s. a share, or something like that. Any misrepresentation on my part, or any mal- practices in any respect whatever, I deny; there may have been mistakes made, the same as in everything else, but to all of these charges I am sure that I can give a good reply. The witness denied that the auditors were ever employed at his office. The existing companies, whose legal office was at his place, were working satis- factorily, the shares were generally at premiums. and dividends were being paid. He urged that documentary evidence should be ordered to be produced, and that Messrs. Howes and Holsted and Mr. Allan Holmes be called. Were that done, he ventured to say that the whole aspect of these very grave charges which had been made against him would be altered. "In answer to members of the Committee. Mr. Cook explained that he paid Mr. Howard Jackson \$50 for his report on the No Town claim. Mr. Don also reported, both being favourable reports. There was no misrepresen- tation concerning the adjoining mile (which was to have been floated), as the prospectus would show. No one had voted without pay- ing the application-money. During his alence the office was managed by Mr. Holsted, the se- cretary to the Cook and Grav group. If a mis- representation had been made by another man. he objected to being saddled with the respon-i- bility, though he was liable for any pecuniary loss. A slump had been struck, a lot of people had been disappointed, and to get out of their liabilities they were making misstatements and distorting the facts. Cook and Gray had float. 1 some fifteen or sixteen companies in all. Dred:" had been built for five of the

companies, and were now working. Four more were being built. The Dobson No. 2 was an unfortunate claim, the dredge having been built with a short ladder. The various companies resolved that they would not build a dredge until they saw how the Grey River dredge worked, thus getting the benefit of their experience. The dredge did not start working till September or October. Then Mr. Easton started his agitation, and the whole thing had been hung up since. If the companies went into liquidation, or were not successful, he stood to lose double as much as any other man in the place. He had not dealt with any of his shares, either contributing or vendors'. "Asked for an explanation of the serious allegations regarding brokerage charges, the witness said, ' We got 2} per cent. brokerage on

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the contributing shares; that is what everybody got, with the exception of those who got an over-riding commission of 1} per cent. and 2} per cent., which most of the brokers did in Dunedin. If any brokerage was paid on shares that had not been paid for the auditor should have called attention to it.' The only matter bearing on the point known to him-speaking from memory-was in the case of the Ngahere Company. He got a letter from the liquidator, addressed to Cook and Gray, asking for a refund of \$5, being the application-money on a hundred shares not paid by a shareholder who had nothing at all to do with Cook and Gray. No brokerage was allowed on vendors' shares, only on the contributing shares. " Further questioned, Mr. Cook said that he had taken the option of some of the claims from the people on the West Coast for the vendor, and acted as broker and a director. The shareholders appointed the directors, and the latter made No. 17, High Street, Dunedin, the office of the company. He did not know that there was anything wrong in a firm floating a company and acting as he had done. Those of his employees who held shares in the companies mentioned did so as a private speculation, and not on his behalf, to influence votes in his favour. The statement that any man ever held a share in trust for him was absolutely incorrect. Mr. Mace would get assistance and be able to pay his calls. " Asked whether, in saying he stood to lose double as much as any one else, he had taken into consideration the moneys he received for the sale of claims to the companies, Mr. Cook replied that he never got a shilling in that way -none at all. Where there had been cash paid it had been paid to the original owners. He never had a shilling from any company that he floated. If any of the companies went into liquidation he could not claim a penny as vendor. He could not understand how the auditor missed charging the brokerage back. " After the witness had concluded his evidence Mr. Easton asked leave to repudiate Mr. Cook's statement that he was either a connection or a relative of his. He stated that he landed in the colony on the 17th January, 1900, and until the 23rd April following had never heard of that gentleman. What induced him to believe that Mr. Cook was a man to be trusted was the fact that he had been appointed by the Supreme Court as liquidator of several large estates." Mr. DEPUTY-SPEAKER .- I understand it is the desire of honourable members not to take up time by reading the whole of these three columns, so I will take the voice of the House as to whether the whole extract should appear in Hansard. Hon. MEMBERS .-- " Aye " ' Mr. DEPUTY-SPEAKER .- It is the duty of some honourable member now to move that a breach of privilege has been committed. Sir J. G. WARD (Colonial Secretary) .- Sir, I will move, That a breach of privilege has been committed by the publication in the Dunedin Evening Star, of the 23rd August, of certain evidence given and documents produced before the Goldfields and Mines Committee of the present session, and which Committee has not yet reported to the House on the matters referred to. I think it only right to say that under the Standing Orders of the House it is a very serious breach of privilege, not only of the House itself; but it is a very unfair thing to people coming before a Petitions Committee that evidence should be disseminated-whether it leaks out from the Committee, or is given out by the Committee-before the Committee has had an opportunity of reporting to the House and supplying the full evidence. In addition to this, it is not fair to the newspaper Press of the colony that, by any unusual ability of the representative or representatives of any particular journal, preference in this way should be

given to any particular journal, however enterprising, in any part of the colony. I have seen a good deal of trouble arise from matters of the sort during the time I have been a member of this House, and I think it is very much to be regretted that breaches of privilege of this kind from time to time occur. How the evidence gets out it is impossible to say, but it appears an extraordinary state of things that we do find that Press representatives are apparently able to get hold of documents and information before they ought to; and, whenever any inquiry is attempted to be made, as to how they come by the documents or information, it is most difficult indeed to ascertain how they are able to say they get them in a fair and honourable way, and I believe the representative of the Dunedin Evening Star to be one of the fairest and most upright journalists in the colony, and one who would not act dishonourably. I do not think that if a Press representative is smart enough to get hold of documents or information of the kind, that any great exception can be taken to his utilising them for the benefit of the paper he represents. Where the weakness is, it appears to me, is in the way the business of Committees is conducted, with the result that evidence of this kind is allowed to leak out. But, once it has leaked out, it only remains for the House to declare that a breach of privilege has been committed, and to go further, if the House so desires- although in the past it has always been shown to have been an unsatisfactory state of affairs- to bring the publishers and the reporters of the journals who commit breaches of privilege of the kind to the bar of the House. Probably the best course to take is to do as was done on the occasion I refer to, and to pass the resolution I have moved, and to specially direct the attention of members of the Committees to the fact that breaches of this kind are a serious reflection on the House itself and also on the Committees. Sir, I beg to move the resolution. Mr. FISHER (Wellington City) .- Sir, I think the course usually adopted in these cases should be followed. I think the Chairman of the Committee has not yet fully explained the means by which the information was published in this newspaper. An Hon. MEMBER .- He does not know.

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know ? Sir, I understood that this is what took place : The evidence was taken by a shorthand writer appointed by the Goldfields and Mines Committee. He is a Parliamentary Committee reporter. The evidence was handed round, I understand, among the members of the Committee-about twelve in number. I understand also that, as usual, the evidence was handed to the witnesses, three in number, and it is the evidence of these witnesses that has been published in the Dunedin Star. I understand also that a most unusual course was adopted in the case of one witness. He was allowed to have the whole of the evidence of all the witnesses ; and I think I am justified in saying that to this particular witness we may very well trace the leakage. I do not believe in bringing people before the bar of the House, as no good ever comes of it, but I think that if the Chairman of the Committee, or the members of the Committee as a whole, have any well-formed belief as to the name of the culprit who furnished the information to the newspaper reference of some kind ought to be made to him. It is very clear that all persons connected with the Committee ought not to be blamed for the guilty act of one person. It seems to me it was an unwise proceeding on the part of the members of the Committee to allow one witness to have in his possession the whole of the evidence. He was entitled to have only his own evidence; and it appears to me it was through that want of care in intrusting this one witness with the whole that the breach of privilege has arisen. However, nothing is likely to come of it. A breach of privilege has been committed, and, if the House affirms it, I suppose the usual caution will be given to the members of the Committee not to do it again. Of course, it will not be done again, till the next time. Mr. TANNER (Avon) .- Sir, I would like to say half a dozen words with regard to the unsatisfactory nature of these cases, and of the decisions arrived at. We are about to be involved in the declaration that a breach of privilege has been committed. I have been a member of this House for ten years, during which time at least a dozen cases of this kind have occurred, and no doubt a good many others have transpired which have not been

brought before the House. Let me call attention to the position in which members of these Committees are placed. An inquiry takes place; evidence is taken down in short-hand, which is subsequently printed, and which, by our Standing Orders, ought not to be divulged to the world till the report of the Committee has been placed on the table of this House. Notwithstanding this, evidence does leak out repeatedly. Sometimes members wish to know what is being done before a particular Committee, and they can often obtain information more accurately in the columns of the newspapers than from any source that may be available to them as members of this House, assuming that they are not members of the Committee in question. Evidence can only get into the possession of about three the Committee before whom it is given; second, the witnesses, who do not necessarily know the whole of the evidence, for, unless some special circumstance takes place by which any particular witness can get possession of the evidence-and this is very unusual-I think witnesses can be excluded from the category of those through whom the information leaks to the public; and third, the evidence is in the custody of certain officials, and finally it goes to the printers at the Printing Office. I do not attempt to blame any persons whatever, but a member of a Committee stands in daily danger of losing his reputation as a truth-telling man, and as a man of integrity. As for the motion before the House, to the effect that a breach of privilege has been committed, that is just as much brutum fulmen as anything heard before. What consequences does such a declaration carry. Before the week is over the newspapers of the colony will be laughing at the House for declaring that a breach of privilege has been committed. If the declaration carries absolutely no consequences- An Hon. MEMBER .- You do not know that. Mr. TANNER .- I have never seen any consequences as a result of such a breach, and I have known a good many cases. I would therefore ask, if, under the circumstances, it is worth while to have any Standing Orders at all. It seems to me nonsensical that we should have piled up a mass of rules and regulations which are supposed to be observed, but very few of which are observed as they stand. They are deliberately set aside in this House, and outside the House the conduct of members is imitated. The whole thing in this way becomes a perfect farce. Of course, I cannot use words to reflect on the House itself; but I have no doubt that, during the next few days, many of the newspapers will do their best to belittle the resolution if carried. Mr. J. ALLEN (Bruce) .- Sir, I think we were bound to raise this question, for the reason that if evidence of this kind is published it may be altogether one-sided. In this case it is to a certain extent one-sided, although the whole of the evidence taken on a particular day was published. This was, however, altered by subsequent evidence. It is therefore not fair to give evidence that is ex parte, and the question of privilege ought for this reason to be raised. The honourable member who has just preceded me says that no consequences will follow. I understand the course usually followed in such cases, if the House carries a motion affirming that a breach of privilege has been committed, then, according to previous rulings of Speakers, the publisher of the paper shall be called to the bar of the House, in order that he may give whatever explanation he can. Then comes the point, as to what action the House will take. I cannot say, of course, what action the House may take. He may be able to give such explanation that we may consider it unwise to take any further action. If, on the other hand, his explanation is unsatisfactory, then, I take it, the acting leader of

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the House will move some motion; but until we hear what his explanation is I do not think the honourable gentleman is right in saying we should take no action. Mr. PIRANI (Palmerston) .- The honourable member for Avon may not be right exactly in words, but there is no doubt he is right in effect, because there are no more ridiculous motions in this House than what are called "breaches of privilege." As a matter of fact, the trouble in connection with the publication of these matters arises from the carelessness of the Committees themselves. I do not refer to one Committee especially; but if a Committee allows its witnesses and the members of the Committee as well to take copies of the evidence, and use them practically as they please outside the Committee, it is only natural that an enterprising newspaper man,

who sees good matter for his paper, will take advantage of the simplicity of those witnesses, or those members of the Committee, and make use of the information if it is worth having. The member for Avon was not exactly right perhaps about the punishment which follows the crime -- Mr. TANNER .- I never saw any. Mr. PIRANI .- I am going to give an instance of the punishment which fitted the crime. It may be remembered that one gentleman of the Press was cast in a breach of privilege. He was called to the bar of the House, and, as a punishment, the electors sent him to represent them in Parliament. That was a punishment, undoubtedly, because that gentleman was quite satisfied with one term of Parliament, and was glad to have his freedom again, because he never again asked the electors to send him back. Now, motions such as these only tend to make more of the newspaper man, to advertise his newspaper, and his own ability and foresight in getting the information. Mr. MORRISON. - Does not the reporter always get a rise in wages ? Mr. PIRANI. - I suppose the honourable gentleman knows, as he comes from the city where this matter was published. In this case, no doubt, the genial reporter will get a rise in wages, because he deserves it if he can get hold of three columns of evidence taken before a Select Committee. I know when I attempt to get a few lines of any Committee's proceedings, not for publication-- Mr. FISHER .- We order you out. Mr. PIRANI .- You say you will send for a policeman. But I think, in matters of this kind, the House makes too much fuss ; I think the House should recognise, after what has been done, that the Committee themselves ought to take action to find out how evidence of the sort has leaked out, and take the proper steps to prevent any leakage in the future. Beyond that, I think we should be simply wasting the time of the House and the country by discussing a paltry matter like this as a breach of privilege. Mr. G. W. RUSSELL (Riccanton) .- I agree very largely with what has fallen from the honourable member for Avon in connection with this matter. The Standing Orders of VOL. OXVII .- 42. this House, in the clearest manner possible, require that the evidence taken by any Select Committee of the House, and the documents presented to such Committee, should be regarded as confidential, and ought not to be published by any member of that Committee or any other person. Are we going to say that this rule is to be carried out? If we are to have our Standing Orders ignored by the Press of the colony, then we might find somebody or other breaking them in some other and more important direction, and bring about a scandal. I think the Press of this colony ought to be given to understand that this House insists upon its Standing Orders being obeyed. I see no object whatever in simply having our guns charged with blank cartridge. If these Standing Orders are for the guidance of honourable members, then the Press should be made to understand that such publication will be regarded as a breach of privilege, and will be followed with penalties. For my part, as I have stated, I think the member for Avon has put the position clearly and succinctly when he says that the question is : whether we are going to have Standing Orders at all. If the Standing Orders are not to be obeyed by those outside the House, how can we insist on their support within Parliament itself ? Mr. HORNSBY (Wairarapa) .- I am rather surprised at the sentiments which have just been expressed by the member for Riccanton in regard to his brother journalists and their enterprise ; but as a journalist I am going to give the honourable member a tip. It is a remarkable fact that the members of this House, or the members of the Committees of this House, are not the only people who seem to give away State secrets. I can remember many instances in the Dunedin Evening Star where exclusive information has apparently been given to that most remarkable of all reporters in the colony, the special reporter of the Dunedin Evening Star. Weeks before appointments have been made by the Government, and before they have been announced in the ordinary way, the fact of such appointments has been stated in that paper. An Hon. MEMBER .- That was not a breach of privilege. Mr. HORNSBY .- No, it is smartness on the part of the journalist. I think, as a journalist, I ought to congratulate him from my place in the House upon his sterling ability as a press-man, and I do so. But here we are to-day discussing a question of breach of privilege committed by a newspaper man, when, as a matter of fact, the breach of privilege has apparently been committed by a

member of the Committee ; not necessarily, of course, and possibly honour- able members may narrow it down and say it might have been done by some one of the witnesses who had the evidence in his possession. There is where the mistake comes in, and if the reporting on those Committees was conducted as an ordinary newspaper would see to it that its reporting was conducted, then in the most important cases there would be no danger of anything of this kind occurring. Where comes

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in the necessity of witnesses being allowed to | Standing Orders, do away with them utterly, correct their evidence given before a Committee if the reporter of that Committee is a com- petent man? There is no necessity whatever for witnesses to go over their evidence and correct it if the reporter is competent, and there is no necessity for allowing that work to go out of the hands- An Hon. MEMBER .- What about Hansard corrections ? Mr. HORNSBY .- So far as I am concerned, I never want to see my Hansard proofs ; but I do know this: that many members of this House copiously interlineate, and some of them rewrite their speeches : and in one instance recently an interpolation was made by a member of this House which reflected very gravely upon another member, and which was never reported by the Hansard reporter, but appears in Hansard. That was a breach of the privileges of this House, and a very serious matter, and it was brought before Mr. Speaker, but nothing has been heard of it since. Sir. J. G. WARD .- What did it refer to ? Mr. HORNSBY .- It referred to the inter- polation of particular words by a member of this House into his speech, although the matter was brought under the notice of the Speaker. But, coming back to the question of this breach of privilege, I am of the opinion expressed by other members who have spoken before me on the matter. Suppose that we bring to the bar of this House the publisher of the paper- for that is about all we can do - we cannot touch the reporter. It is the gentleman whose name appears on the imprint of the Star who will have to be brought before the bar of the House, and possibly he may know nothing about it. Well, if this gentleman is brought to the bar of the House, it is possible for this House to fine the gentleman for what has ap- peared in his paper. Possibly, as one honour- able member said, we might put him in the cellar of Bellamy's ; but that is not the point I want to come to. The point is : that, so far as I am concerned, I do not want to go any further in regard to giving a gratuitous and very valuable advertisement to the estimable people who own the Dunedin Star. My opin- ion is that it would be far better, and would be consulting the dignity of this House, if we simply record the fact that a breach of privi- lege has taken place, and if we give the officers of this House to understand in the future that there must not be so much laxity in the con- duct of the business of the Committees which are set up by this House. Mr. W. FRASER (Wakatipu) .- I am afraid the last speaker has not been consulting the dig- nity of the House, or, indeed, his own, judging by his remarks. He has spoken as a journalist in this House, and not as a member. He has forgotten that, while he is in this House, what- ever profession he may follow privately he is here representing a section of the people of New Zealand. I am sorry to hear the light tone in which honourable members have spoken in regard to this question. Well, I say that we ought to do one of two things : either burn the Mr. Hornsby or else strictly enforce them. That is what we ought to do ; but, Sir, to treat the matter as a huge joke is not consulting the dignity of the House. I am very, very sorry indeed, to see the tone which this debate has taken. The member for Wairarapa assumed that the whole fault lay with the members of the Committee. The honourable gentleman, surely has not read the Standing Orders. The breach of privilege lies in publishing the information quite as much as in giving it to the paper. Probably all that will result from this motion will be a certain amount of no- toriety for the paper, and an intimation to the members of the Press gallery not to do it again : but I say that the matter ought not to stop there. This House ought to put its foot down and say, "These are our Standing Orders, and we shall insist on their being respected in the future." It is simply bringing ourselves into contempt to bring up motions of this kind un- less we are prepared to take some further steps. For my part, I shall be quite prepared to go any length, and show people that they cannot break those Standing

Orders with impunity. Mr. MASSEY (Franklin). - There is no doubt. Sir, that in this instance a breach of privilege has been committed, and I agree with previous speakers that the whole matter of the reporting of the proceedings of the Select Committees is in a most unsatisfactory position. Time after time we have seen the reports of the proceedings of Select Committees reported in the Press of the colony in a way which was contrary to the Standing Orders, and yet no notice whatever has been taken by this House. Sir, I do not blame the pressmen in the very least. It is their business to obtain information in every possible way, and we all know that the representative of the Dunedin Evening Star is one of the most enterprising occupants of the Press gallery ; but I do blame the parties, whoever they were, who divulged the information. And, in this connection, I would like to call your attention, Sir, to a ruling of the Speakers, as reported on page 155, No. 2. It is as follows : - " Members disclosing proceedings of a Select Committee before it has reported have been committed to the custody of the Sergeant-at-Arms, and the publishers summoned to the bar." Now, Sir, we want to find out who were the parties, members or otherwise, who divulged this information. If this House decides that a breach of privilege has been committed, what is to happen then ? Are we going any further ? An Hon. MEMBER .- No. Mr. MASSEY .- Some one says "No." I think we ought to go further. But it is not possible for this House, as a whole, to roughly inquire into the matter. I was going to suggest to the leader of the House that he should set up a Committee of Inquiry for this purpose. And there is a precedent for what I suggest. I would refer the leader of the House to the Journals of the House of Representatives, year 1874, page 74, on the question of privilege :-

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with power to confer with any similar Committee that may be appointed by the Legislative Council, to inquire into and report on the matter of the publication in the Daily Tribune newspaper of certain evidence taken before the Joint Committee of both Houses on the Ward-Chapman inquiry, and which evidence has not yet been reported to the House: three to be a quorum, with power to call for persons and papers. Committee to consist of Mr. Speaker, the Hon. Mr. O'Rorke, Mr. Rolleston, Sir Cra-croft Wilson, C.B., and Mr. Andrew." That was a case almost exactly parallel with this one. The Commission was set up, inquired into the matter and reported, and the delinquents were called to the bar of the House and punished in the usual way. An Hon. MEMBER. - What is the usual way ? Mr. MASSEY .- They were called upon for an explanation and an apology, and I venture to say that the publicity was sufficient punishment. But if we are not going to thoroughly inquire into this matter, if it is not going to be sifted to the bottom, we ought to stop where we are. I would, however, sooner see the Press admitted to Select Committees, than that the present state of things should continue. Mr. McGOWAN (Minister of Mines) .- We have heard a good deal about this question from different points of view, and there seems to be in the minds of most of those who have spoken a feeling to commend the newspaper that has had the enterprise to obtain this information, and, so far as I am concerned, I am quite prepared to do the same thing myself. But I say we have the right to go to the root of the matter and find out where the fault lies. I do not think the fault was with the reporter or even with the members of the Committee. The fault is with ourselves. Select Committees are appointed, and the result is that these Committees are virtually public rooms; and members who have no connection with the matter themselves-they may have an interest in it, but they have no connection with it .-- may attend regularly, and even when the Committee is deliberating, unless a stand is taken up, as I understand has been taken up by my friend the Chairman of the Public Accounts Committee - that is, to decide that those not connected with the Committee, and who are not witnesses, are not to be present. Until such a rule is adopted by all Committees you will have evidence taken before the Committees leaking out. If only those who are connected with the Committees, and the witnesses under examination, are present, then if any evidence leaks out the Committee will be responsible for the source whence the information has come. As things at present are, no one can say

where the information comes from. We know that information appears in the papers, and that it is a breach of privilege ; but you cannot blame any one in particular, and the reason is that the Standing Orders are not complete enough in regard to those who attend the Committees of the House. the Committee's shorthand writer. They are not impressions gathered from various members of the Committee. I think the State ought to pay the shorthand writer's fee. Mr. McGOWAN .- Quite so, so far as I am concerned. I am a member of the Committee, and I believe there has not been due care taken in regard to the evidence given before it, in regard to secrecy. Though technically a breach of privilege has been committed, I do not see how we can do anything ; till we amend our own course with regard to the position of Committees we have little reason to complain of any enterprising newspaper obtaining news almost at first hand. These typewritten copies of evidence should be under the hand and seal of some one responsible, and not left lying about loosely, so that any one who chooses to come into the room can get hold of the information contained in them for newspaper purposes. Mr. WILLIS (Wanganui) .- There seems to me to be something very singular in the way such a mass of evidence as this has leaked out. It has been suggested that what took place was divulged by members; but two columns of evidence would be a very difficult thing to divulge, and it is quite evident a shorthand report must have been made use of. Surely some one must be aware of the manner in which the report was obtained from the person who was taking the evidence. Mr. FISHER .- It was the Goldfields and Mines Committee's report. Mr. WILLIS .- If it was the Committee's report from which it was obtained, that makes it so much worse. I regard it as a very serious matter indeed that a report of this kind should be allowed to leak out ; and if this sort of thing is to go on there will be no security whatever of evidence being kept secret till it is laid on the table of the House. The matter ought not to be treated lightly. There is a feeling that there is no use our proceeding further in the matter, and I must say, from my own experience, the results are very small indeed when breaches of privilege have taken place. But we ought not to go on like this always. I think, myself, we have a very poor chance of punishing the paper, nor do I believe that from a newspaper point of view it has done anything wrong. The one who ought to be punished is the one who furnished the report; and the matter ought to be inquired into. It is not the editor or printer, who was only doing his business in obtaining the report, who ought to be dealt with so much as he who furnished the report. Mr. HERRIES (Bay of Plenty) .- I am a member of the Goldfields Committee, but I can assure the House that I am not the one who divulged this information. The information was evidently taken from a typewritten copy of the evidence, taken on the first day on which evidence in Easton's petition was considered ; and, if honourable members do nothing in the matter, I suppose the whole of the evidence taken by the Committee will

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it is not faced, and nothing is done now, it would be better to have the Press present on Committees. And then, of course, if the Evening Star would only keep a copy of the type set up, it would save the Government Printing Office so-much money for printing the evidence of this Committee. It seems to me that this question has to be looked at ; and that if we do nothing, the rest of the evidence will be published in the same way. The Hon. the Minister of Justice may laugh, but it is a serious thing; and if things go on as they are going on now, then the House will not have the first information, as it ought to have, with regard to evidence, but the public, through the Press, will know more than members of this House. That seems to be the point, and in declaring the publication a breach of privilege this House should take steps in order that this may not occur again. I trust honourable members will proceed further in the matter. We ought, I think, to find out who the culprit was who disposed of this typewritten copy. Now, Sir, the Acting Premier, in moving the motion, quoted a case, and that case was the case of yourself, when there was a breach of privilege owing to some of the evidence given before the Public Accounts Committee having been divulged, and you, Sir, from your place in the House, got up and openly said that you had divulged

it, and you apologise. I think, Sir, the members of the Goldfields Committee ought to do the same, and take your manly stand, and would, at all events, be exonerated from any insinuation that we had divulged any evidence. I admit, Sir, that the affairs of the Committee are perhaps not conducted strictly in accordance with secrecy, because I think almost any one could have got hold of the evidence. It was knocking about the table of the Committee-room for the whole morning; but I do not think any member of the Committee divulged that evidence. I do not know how it got out, but there is no doubt that from a similar source the correspondent of the Evening Star who got the former evidence will be able to get the other evidence, and if that is done we shall simply see the whole of the evidence printed in the Evening Star and in other papers, because if nothing is going to be done I do not see why any other paper should not get it. What is the use of having Standing Orders if nothing is going to be done. I shall consider myself to be at liberty to give what I like, and, if that is the wish of the House, the sooner members understand it the better. I think something ought to be done, and that this matter ought to be pursued further as a matter of principle although I do not think that much harm has been done. Mr. GRAHAM (Nelson City). - It appears to me that until some radical change takes place the raising of questions of breaches of privilege are simply a waste of the time of the House. There is no good result arising from them. We have had many breaches of privilege discussed, Mr. Herries not having risen except for a remark made by the Hon. the Minister of Justice, who suggests that the blame rests with members of the House, and that until members of this House who are not members of Committees are prevented from attending meetings of a Committee of which they are not members this sort of thing will go on. Now, that is a reflection on the honesty and integrity of members of the House. The right of being present at the proceedings of any Committee is a privilege that ought not to be taken away from members. Every member should always have the right, as he has now, and, I hope, always will have, of attending any Committee he pleases to listen to the proceedings; and the rules and standings of the House are as binding upon members of the House not members of any particular Committee as they are upon members of that Committee. Does the Minister really mean what he said - that it should be otherwise? I hope he does not. Why, Sir, it would be a Star Chamber proceeding. The reason we are here is for the purpose of understanding and doing the business of the country, and one means of ascertaining it is for members of the House, if they choose, to attend the meetings of Committees to obtain information. The rule as to keeping sacred all that transpires at Committee meetings is as binding on all members of the House as on the members of each Committee. In this case we have two columns and a half. Mr. FISHER. - Three columns. Mr. GRAHAM. - The honourable member says there are three columns. Well, it would be impossible for that amount of evidence to be accurately reported by any one member of the House or any one member of the Committee. I understand that in this case the full and complete evidence that has leaked out has been printed for the information of the Committee. Mr. PALMER. - I did not say the evidence had been printed. I said it had been sent to the printers, and we had the evidence back - the original evidence, not the printed evidence. Mr. GRAHAM. - I do not wish to split straws. The evidence went to the Printing Office and came back; it came back and passed through the hands of the Clerk; it reached the hands of some one who gave it to the newspaper, and the newspaper reporter naturally took hold of it and gave it to the public. I know that when evidence is sent to the Printing Office it comes back in a printed form, and it is not always to members of Committees. Copies get about somehow to persons who are not members of the Committee. That is where the difficulty is. I hope the Minister of Justice did not really mean that, until members of the House were prevented from attending meetings of Committees of which they were not members these things would take place. Mr. McGOWAN (Minister of Justice). - Sir, I wish to say that the member for Nelson City has too closely applied my remarks with reference to those members who are not members of Committees. My remark was made generally

and who were not members of those Committees ; and, as the honourable member himself explained, it is a fact that when these copies are printed, outside members get them. Mr. MILLS (Minister of Customs) .- Sir, I was about to remark that I thought the member for Nelson City had misunderstood the application of the words of the Minister of Justice. I think he placed a wrong interpretation on them. I was sitting close to the Minister of Justice and I heard what he said, and what he remarked was that, until members were prevented from attending meetings of Committees, one could not say whether it was a member of the Committee or any other member of the House who divulged any information that might leak out. He was not finding fault with members attending the meetings of Committees. I believe the honourable gentleman is a supporter of publicity in all matters. However, with reference to the matter now before the House, I do not take the same view of it as some members, who seem to treat the matter in a sense of levity, instead of upholding the dignity of this Chamber. My impression is that a great many members hardly realise the immense power of this House when it wishes to deal with a serious breach of privilege. This may or may not be a serious case, but there is no doubt the power of Parliament to deal with breaches of privilege is very considerable, and should not be treated lightly, as the result may be very serious to those who least expect it. I do not think it wise on the part of members to let it go forth to the world that any one who commits a breach of privilege by disobeying our Standing Orders need fear no punishment, which is a great mistake. We must uphold them or repeal them, or, if not, we shall stultify ourselves. I also consider that there should be no disclosure of the proceedings of any of these Committees until the Chairman himself brings down the report. Mr. GRAHAM .-- That is provided for by the Standing Orders. Mr. MILLS .- We know that, without the honourable member telling us ; but some people seem to forget their responsibility. My opinion is that there should be no disclosure from the Committee until the Chairman brings down the report. I have known instances myself in Committee where a result has been arrived at on a certain day, but before the time had arrived to bring down the report, the Committee, in its wisdom, had considered it advisable to make some alteration. This shows the importance of not disclosing their deliberations before the proper time. I only wish to emphasize that, in my opinion, this matter ought not to be treated lightly. I am not casting any blame on the editor or the reporter of this paper. I have no idea as to how they got the evidence, but what we consider breaches of privilege should be treated by this House in a serious manner. Mr. SYMES (Egmont) .- It seems to me to be a funny thing that we should have in connection with newspapers what is practically a close corporation. The instant you touch one of them, the result is like holding out the fact that by publishing evidence taken before any Sessional Committee before a report is made to this House by the Chairman of such Committee he is committing a breach of privilege. The breach of privilege was the publishing of evidence taken before the Committee, and, to my mind, it was done in defiance of our Standing Orders. As to Committees divulging, I do not think such a thing ever takes place. I should not like to hear of members being charged with this. The Committee shorthand writers, I must admit, might do a great deal better than they do. On more than one occasion we have found our evidence so much hashed about that we could hardly recognise the transcript. The House is probably to blame for supplying such bad reporters for the Committees, and I have often thought it would be a wise thing to let the Hansard reporters do the Committee reporting. An Hon. MEMBER .- They could not do it at present. Increase the staff and they could. Mr. SYMES .- We should have men we can rely on to do this work, and not rush in any one from outside to take evidence at five minutes' notice. If necessary, increase the Hansard staff, and then let them do the whole of the Committee reporting. I say again, Sir, that it was well known to every member in the Press gallery that by publishing this evidence a breach of our Standing Orders was being committed. We may talk for a month on this question without any good results if we do not insist on the maintenance of our Standing Orders ; and unless we do this we are simply advertising the newspapers. If we let the matter drop where it is, we have been wasting time and providing a cheap

advertisement for the newspapers. I say, with several other members who have spoken, either abolish our Standing Orders or carry them out to the bitter end. Mr. PALMER (Ohinemuri) .- As regards our Committee reporters, Sir, I do not wish any misapprehension to go abroad in regard to the young gentleman who reported this evidence. We have found him a most capable, conscientious, and hardworking young man. His reports have been admirable, and we have had to make very few corrections. We called the reporter in and asked him if he knew anything about this evidence being made public, and he said he did not. We never believed he had anything to do with it. Now, as to these reports getting out, I to a great extent put the blame on the shoulders of the Government. Sir, they put us in the freezing-chamber of this House. We are obliged to sit in that chamber from nine o'clock in the morning until one o'clock, and, although there are two fires there, we can barely keep ourselves from being frozen to death. Then, we are not allowed to have a Committee-room to ourselves. Other Committees sit in that room, and the cupboard accommodation is so small that it is impossible to lock up the bundles of correspondence and documents that come before us from time

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after the papers as well as he can; but, as they are lying there from Friday till Monday, it is impossible, unless we have cupboards to lock up our papers, to prevent them from being seen by persons outside the Committee. Now, as to the remark of the honourable member for Wellington City (Mr. Fisher) that one of the witnesses got the whole of the evidence, that witness was Mr. Cook. Mr. Cook had complained that charges were made against him in Mr. Easton's evidence but which did not appear in the petition, and he asked that he might be allowed to have the evidence so that he might be able to answer the charges in detail. Well, we thought it was only fair that he should be placed in a position to defend himself. and accordingly we allowed him to have a copy of the evidence in detail, which he got. I do not think Mr. Cook disclosed that evidence, when Mr. Cook was the gentleman who complained to the Committee about it having appeared in the Dunedin Evening Star. An Hon. MEMBER .- Did anybody else get the evidence ? Mr. PALMER .- No: Mr. Cook was the only one outside the Committee who got the full evidence. Mr. HALL -JONES (Minister for Public Works) .- I am sorry to hear from the honourable member such a gloomy account of the room occupied by the Mines Committee, but I may say that the room I had set apart for that Committee was a very nice room, and the Government are not responsible for the alteration. The honourable gentleman referred to the want of accommodation for placing the documents of the Committee, and I can only say that if, as Chairman of the Committee, he had only mentioned that matter before I would have seen that it was attended to; and I will see that proper provision is now made. I think the honourable member for Nelson City made reflections-or what might be taken to be reflections-on the Clerks of the Committee and the Government Printing Office Clerk. Mr. GRAHAM. - I did not intend to do it. Mr. HALL-JONES .- The honourable member's words were open to that construction. He said that these papers passed through a number of hands, including the Clerk of the Committee, and then through the hands of several others at the Government Printing Office ; and he stated he had known other cases where the evidence had leaked out. I say that the Clerks of the Committees, in my opinion, are officers who know their duty, and who are very careful to see that nothing leaks out. Then, as to the Government Printing Office, I may mention that the honourable gentleman was Chairman of the Banking Committee-one of the most important Committees which, I suppose, ever sat in this Parliament -and he will admit that not a whisper of what transpired in connection with the proceedings of that Committee appeared in the public journals. An Hon. MEMBER. - The report was published in Dunedin before it was laid on the table of this House. Mr. Palmer hope the honourable gentleman has no intention of casting any reflection upon the Clerks of Committees or upon the Government Printing Office. But there is another question now before the House. I understand that Mr. Easton petitioned both Houses of Parliament. and I believe that a Committee of each House is dealing with the same subject, so that the same evidence may

have been given before a Committee of another place. I understand that this evidence was given before the Committee of this House on Thursday, and that it appeared in the Dunedin Evening Star on Friday. Thus it must have been transcribed here and sent away on Thursday evening or early on Friday morning, so that some one must have acted very promptly in the matter. I am glad, however, to hear the honourable member's assurance that he had no intention to cast any reflection upon the Clerks of Committees or upon the Government Printing Office. Mr. GRAHAM (Nelson City). - I desire to make a personal explanation. The Minister for Public Works stated that I cast a reflection upon the Clerks of Committees, or upon the Government Printing Office. I did nothing of the kind. I did not intend to do so, and I certainly did not do what the Minister has unfairly suggested. I was replying to the Minister of Justice, who said that these things would never be cured until members of this House were not allowed to attend the meetings of Committees of which they were not members; and I pointed out that there were numbers of ways in which the evidence might get out, and that it often passed through numbers of other hands: but I did not cast any reflection upon Clerks of Committees, nor upon the Government Printing Office, in any shape or form. Mr. HALL-JONES. - I think, if the honourable member will peruse his Hansard proof, he will see that his words are open to that construction. Mr. ELL (Christchurch City). - If the representatives of the papers had any respect at all for our Standing Orders before this discussion this afternoon, they will have none now, after what they have heard from a number of honourable members in this Chamber, because one after another has got up and commended the papers for over-riding and disobeying the Standing Order, which expressly states that information which is given before a special Committee shall not be divulged and shall not be published. The only exception was the member for Riccarton, who is also a newspaper man, and he protested against it. I think that, if our Standing Orders are not of any use at all - if they are not to have any effect; if any breach of privilege is to be simply laughed at as a matter of very trifling occurrence: and if the breach is to be ridiculed and laughed at, as it was by the Minister of Justice this afternoon - then I say that the sooner we abolish the Standing Orders the better. It is not a bit of good keeping them amongst us if they are to be treated lightly in the way they have been by honourable members this afternoon, and also by

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House by the Chairman of the Mines Committee is a delightfully simple one, if members could only bring themselves to accept it. He explained that the whole cause of the trouble - the root of all this business which has kept us going the greater part of this afternoon - is simply that the Committee-room in which this unhappy Committee has to deliberate is far too cold. According to Mark Twain, there is a mountain in his country which is so cold that no one in its neighbourhood can possibly speak the truth. It seems that, according to the Chairman of the Mines Committee, some similar explanation accounts for the moral delinquencies which have taken place in connection with the deliberations of the Mines Committee. I do hope that, whoever the Minister is who is in charge of the heating apparatus of these buildings, he will see that they are given an extra fire there for the rest of the session, and it is possible then that we shall not have any more trouble. I accept the lucid explanation of the Chairman in the spirit in which it is offered; but I do wish to enter my protest, along with the member for Christchurch City, against the tone of levity which has been adopted, not merely by representatives of journalism in this House, whom we might pardon for such weakness, but by others who are not directly interested in that profession. We have heard even from a Minister of the Crown that the reporter and the editor who published that report were simply engaged in a legitimate journalistic enterprise to which even the Ministerial bench was constrained to pay its tribute of praise. Now that, of course, is reducing the dignity of Parliament and reducing our Standing Orders simply to the condition of a farce. Another member also stated that the person who furnished the report was the guilty person and should be punished. Well, Standing Order No. 229 says, - "The evidence taken by any Select Committee of the House, and documents presented to

such Committee, and which have not been reported to this House, ought not to be published by any member of such Committee, nor by any other person." The fact of a member of the Committee, or a servant employed by the Committee, furnishing the report does not relieve the person who takes advantage of the report and publishes it from the responsibility for his action. There may be half a dozen culprits in the matter; but the fact that there are five others does not relieve any individual of the six from the responsibility. To my opinion, it is contrary to the dignity of this House to take any such view. According to our Standing Order, the reporter of that newspaper has simply been guilty of listening at the keyhole of the Legislature. No member of this House would think of saying that listening at the keyhole of a private room, and reporting the result of what was heard in that way, was legitimate journalistic enter- listening at the keyhole of the Legislature to words and transactions which, according to the expressed wish of the Legislature, should be kept an inviolable secret. Supposing the Dunedin Evening Star, on the evening in question, had come out without an imprint, instead of coming out with these three columns of confidential matter overheard in one of the Committee-rooms of the Legislature; in that case the offence would, of course, be trifling either morally or legally, and certainly would be the result merely of accident or oversight ; yet the publisher would have been fined £5, and the law would not allow the Court to inflict a smaller fine. They might also be fined for every copy of the paper, but they could not possibly be fined less than \$5 on any information duly laid. The result would have been that somebody in that newspaper office would have been rapped over the knuckles, and a good many somebodies in that office would have taken considerable care in the future to see that no such oversight occurred again. Now, what is the position here ? This is an offence wilfully premeditated and deliberate. It has supplied the newspaper with three columns of good copy in advance of every other newspaper in the colony, and we are going to deal with it in such a way that if a similar opportunity arises next week, or even this week, that paper would take the same action as it has on the occasion under notice. Is it not contrary to the dignity and privileges of this House that we should assert our dignities and privileges in that fashion ? An Hon. MEMBER .- Yes. Mr. ATKINSON. - It may be quite in keeping with certain lines of our practice regarding privileges and dignities, but it is certainly not a course I would like to see followed by this House, or any representative body that values its privileges and dignities. If the Postmaster-General had been present while the honourable member for Franklin spoke, I feel sure there was a suggestion made by that honourable member he would have been glad to accept, and that is that if this resolution is to be anything more than farcical in its results, anything more than blank cartridge-or, as the honourable member for Avon called it by its Latin name, brutum fulmen-if it is to be anything better than that, I know of no better way to arrive at it than by adopting the honourable member for Franklin's suggestion that we should have a Committee appointed, according to precedent, which should investigate the matter thoroughly, and fix the responsibility on the proper party, and then take such course as may be deemed advisable after the Committee has reported, and make sure that those who have been responsible for this breach of privilege will think twice at any rate before committing a similar breach. I hope the Minister will take this into consideration, and enable us to pay some practical heed to our own dignity and the conservation of our

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continue as at present. I would either repeal the Standing Order, and allow the reporters of any paper to be present at Committees, or, if I intended to maintain the provisions of the Standing Order, which says that the proceedings are to be kept secret, I would take such precautionary steps that the secrecy should be inviolable ; and certainly no member can say the course proposed by the resolution, if not followed up by something more drastic, is of that nature. Major STEWARD (Waitaki) .- It appears to me that the House is in the position that it is absolutely necessary to determine upon one of two things : either we should rescind the Standing Order, which has been in existence ever since there has been a Parliament in this colony, prohibiting the publication of evidence taken before a Select Committee until it

has been laid before the House, or we should take means to enforce that Order. There can be no possible getting out of that position. Parliament is often spoken of as being the highest Court of the realm. Now, if a newspaper offends against the rules of the Supreme Court it is punished for contempt, and if it offends against the rules of this House knowingly, then it is for the House, as the highest Court, to say what should be the result to the paper so offending. It is all very well for honourable members to get up and ridicule proceedings of this kind. Some honourable members seem to think all they have to do is to pat on the back any newspaper reporter who shows himself smart enough to get round the Standing Orders of the House. That is only one view of the case, and, in my opinion, a mistaken one ; the real position being that either the House must insist on having its Standing Orders respected or must be content to be placed in a position of contempt. It has been urged that the House itself does not always rigidly observe its own Standing Orders. That, I am sorry to say, is only too true; but two blacks do not make a white, and because the House does not always adhere to its Standing Orders, it does not by any means follow that it ought to condone the breach of any of its regulations by any outside party. As I have said, we have only two alternatives from which to choose : either to insist on our Standing Order being obeyed, or to repeal the Standing Order altogether. I do not think the House is prepared to adopt the latter alternative. I do not think any single member would say that the evidence taken before a Committee should be allowed to be published in a newspaper in detail before it has been laid before this House. It is not fair to the parties before the Committee that it should be so published, as such a publication is calculated to lead to a prejudging of the case, and to the placing of the matter before the public in an incomplete and unsatisfactory form. Therefore, Sir, I think that what should be done is this: that we should pass a resolution affirming that a breach of the Mr. Atkinson follow the course taken on a previous occasion by appointing a Committee to inquire into the matter, and bring down a report of the whole facts of the case, and then it will be for the House to say what should be done. And, Sir, though I do not prejudge the matter at all- I am simply stating a hypothetical case-if it is proved to the House that a breach of the privileges of the House has been committed by any particular person, or by any particular newspaper, then I think it will be for this House to pass a resolution and take such action as will show to that person or newspaper that this kind of procedure does not pay. It could, indeed, be made so expensive a course that no newspaper would proceed on those lines in the future. That is the direction in which we should go, or we should at once altogether abandon the Standing Order which has in this case been infringed. Mr. HUTCHESON (Wellington City) .- Sir. I agree entirely with those who say that we ought to do one of two things : either to amend our Standing Orders-that is, to repeal this particular Order-or to act up to them. Does any one mean to say that this House cannot prevent or cannot discourage newspapers from publishing premature reports or proceedings of Committees? It would not bring up the influential Dunedin Star or the Evening Post to fine them £5. This afternoon's transaction is worth hundreds of pounds to this journal already, even if it is fined. The House would be more likely, if it wanted to carry out what is laid down in the Standing Orders, to fine that journal about £500 at the start, and then discourage it gradually by raising the fine 100 per cent. for each subsequent offence. What has been our experience in the past ? Since I have been in Parliament I have seen five or six similar farces of this sort, and they have always ended in smoke. Here is the logic, looking this House right square in the face : Are you going to perpetuate this farce, or are you going to say that those who make a breach of our laws by deliberately publishing for commercial gain certain information that the Standing Orders declare to be privileged, are to be punished for it, or are the offenders to be let off scot-free. with the further additional advertisement of the farce in Parliament, like this afternoon? Now, I submit we have now come to the time when this House has got this to do : First of all to declare this is a breach of privilege, and then carry a subsequent resolution in terms of that enunciated by the member for Franklin, that a Committee be set up to discover the facts. There can be only one finding as the result of that Committee's

deliberations, because the offence is not for disclosing information -not for giving it informally-but for publishing it. If any member of the Committee publishes, or any other person publishes, such information, the offence is committed. Now, I quite agree with my colleague for the City, that it would be perfectly intelligible to open the doors of Com-

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to that. It might impede matters and prejudice matters, but it would naturally be much more logical and philosophical than to say a certain thing is a breach of the Standing Orders of this House, which ought to carry some penalty at the will of this House as a consequence, and not to carry it any further. Now, to be reasonable and sensible men we ought to declare this a breach of privilege. Consequently, we ought to say we will set up a Committee to discover how the information came to be published and who published it, and to mark the disapproval of the House we should inflict punishment sufficient to prevent a repetition of the offence. I have no sympathy with this vaunted journalistic enterprise when it carries with it a wilful and predetermined breach of the Standing Orders of the House. This publication, I say, was done with a wilful knowledge, but carried with it a sense of security inasmuch as never before had any punishment been given, and that therefore no punishment would be given in this case. To put it in the classical language of the member for Avon, it was a brutum fulmen. I think, Sir, the House should uphold the Standing Orders, or rescind them altogether. Motion agreed to. Sir J. G. WARD (Minister for Railways) .- Sir, the motion having been carried, my colleagues and other members consider it would not be fair to the House to allow matters to stand as they are; and, under the circumstances, the Government will take the course that was taken some years ago in order to elicit further information on the subject. I think honourable members will agree with me that, to a large extent, the precedents that are on record show clearly that to attempt to bring the publisher of the journal to the bar of the House would be unsatisfactory in the extreme, and that it would be better to set up a Privilege Committee in order to make inquiries as to how the information became public. If the Committee can elicit that information it will probably meet the case. I will move "That a Committee of Privilege be appointed to inquire into and report on the matter of the publication in the Dunedin Evening Star of the 23rd August, 1901, of certain evidence taken before the Goldfields and Mines Committee, and which evidence has not yet been reported to the House ; three to form a quorum, with power to call for persons and papers : the Committee to consist of Mr. Speaker, Major Steward, Mr. Fisher, Mr. J. Allen, and the mover." Judging by what has come before me, the House is desirous that the mere affirmation by the House that a breach of privilege has been committed is not sufficient, and that it would be well to have the matter inquired into, in order that the Standing Orders of the House may be respected, and that cases of the kind may, if possible, be prevented in the future. Mr. BARCLAY (Dunedin City). - Sir, I desire to say a word or two before this motion House has affirmed that a breach of privilege has been committed by the publication of this report in the Dunedin Evening Star, and it is clear, I think, that a motion should follow to the effect that the proprietor or the publisher of that paper, if it be desired to give him a chance to reply to any charges, should appear at the bar of the House and make what defence he can. After that a motion should follow inflicting punishment of some kind or another, if it is considered advisable to do so. Let me here remark, as a matter of some interest, that the practice of fining seems to have become obsolete in the British Parliament. A high authority says :- " In former times the House of Commons imposed fines for breaches of privilege, but the practice has long been discontinued, except in so far as the payment of fees as a condition precedent to release from imprisonment partakes of the nature of a fine." The House, however, still retains the power of imposing the punishment of imprisonment. A Committee such as the honourable Minister suggests is, no doubt, proper and advisable for the purpose of discovering where the leakage occurred ; but it does not touch the question of the principal offender, the proprietor or the publisher of the Evening Star. And I should like to know whether it is the intention of the Minister to move

in the direction I have suggested, after this motion is disposed of, or not. Sir J. G. WARD .- Let the Committee report first. Mr. BARCLAY .- The Committee cannot re- port anything but that the publication is a breach of privilege; and the House has de- clared that it is so. A motion should follow that the publisher or the proprietor of the paper should appear at the bar of the House. I would like to know whether Ministers intend to move a motion to that effect or not. Sir J. G. WARD (Colonial Secretary) .- The course I have followed is what was formerly adopted by this House. Two courses are open -the one is to summon the publisher of the journal to appear at the bar of the House, and the other is to set up a Committee of Privilege to inquire into the matter. After that Com- mittee reports, it will be for the House to con- sider whether further action is necessary or not. Mr. BARCLAY .- I submit that, the House having declared this report to be a breach of privilege, it is the duty of the Government to act on that resolution, and ask the proprietor or the publisher to appear before the bar to give an explanation, and, when the Committee's re- port is submitted, it will be for the House to deal with the culprit who has given the infor- mation. It has been said this afternoon that this House has been a subject of ridicule owing to its weakness in punishing breaches of privi- leges and other offences against it. The news- papers of the colony may well ridicule the House if it does not defend its dignity and

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utter contempt and inefficiency if they do not defend their privileges. He said, - " Could it be expected that they would stand high in the estimation and reverence of the people if, whenever they were insulted, they were obliged to await the comparatively slow proceedings of the ordinary Courts of law for their redress? They certainly must have the power of self-vindication in their hands ; and if there be any authority in the recorded pre- cedents of Parliament, any force in the recogni- tion of the Legislature, and in the decision of the Courts of law, they have such a power." I do not say in this case that any very great harm has been done, nor do I for an instant blame the reporter who furnished the report. On the contrary, I think it was a very clever and smart thing for him to do. He had nothing to do with the publishing of it. The whole of the responsibility for the publishing of the evi- dence must rest upon the management, and it is simply the publication of the report that our Standing Orders deal with and endeavour to prevent. I do not think it necessary at this stage to say anything further, than that I be- lieve it is the duty of the Government to at once take steps to have the publisher brought before the bar of the House. Mr. J. ALLEN (Bruce) .- The Minister for Railways has told the House that there were two courses, either of which might be followed. I am afraid he has been led astray. There is one question, and there is only one course pos- sible which can be followed. Where he has been led astray is in this : The case of 1874, which was quoted, was a case in which a Com- mittee of Privilege was set up to inquire into a question of privilege, before the House had decided whether a breach of privilege had been committed. But what is the position to-day ? The House has declared this to be a breach of privilege, because it is as clear as daylight that, a newspaper-that is to say, some person out- side the Committee-having published evidence taken by the Committee before the Committee had reported to the House, a breach of privilege has been committed. Now, I ask, What is the next course that ought to be pursued ? The course is clear, both by the rulings of previous Speakers and by what has occurred before in this House. If honourable members like to turn to the "Rulings of the Speakers," on page 158 they will find, in the case of a newspaper article, "If a member calls atten- tion to it it is read by the Clerk." That was done. Then, " A motion should be made that it is a breach of the privileges of the House." That also was done, and it was carried. Now, what is the next course to pursue ? "The per- son responsible for the article is summoned to the bar of the House to give an explanation ; after the explanation the House determines what course should be pursued." There are two rulings by Mr. Speaker Munro, one in 1867 and the other in 1868, dealing with this parti- cular matter. I have them both here, but I Mr. Barclay and the Speaker's ruling was that the person responsible is to be called before the bar of the House for his explanation. And it would be a gross injustice to the man who

was accused of a breach of privilege if he were not immediately called before the bar of the House for his explanation. He might have some explanation that would be satisfactory to the House. In that case the House would proceed no further. He might admit the breach of privilege and apologize, as was the case in 1874, and the House might be satisfied with the apology. If the House is not satisfied, it may determine on a fine, or some other means of punishment. It is as clear as it can be that a breach of privilege has been committed ; and we have declared that a breach of privilege has been committed ; and now we ought to ask the person responsible to make an explanation, and to make an apology if he has an apology to make. We are going in the wrong direction in proposing to set up a Committee when we have already declared that a breach of privilege has been committed. I think that the honourable member who is temporarily in charge of the House has taken a wrong course -- a course which is not according to precedent, and a course which very likely will be unjust to the publisher of the newspaper. It may be that somebody else is to blame ; it may be that somebody else has disclosed the evidence. When we have the publisher before the bar of the House -as we ought to have-we can ask him for an explanation, and ask him who disclosed this evidence. An Hon. MEMBER .- He will not tell. Mr. J. ALLEN .- If he does not tell us he will have to suffer the consequences ; but it is obvious that it is right that we should ask how he came by this evidence, and if we find that there is another culprit in the course of the examination we have a right to punish him as well. We have one culprit now, and that is the publisher of this evidence, and that culprit ought to be punished. The House has declared this to be a breach of privilege, and the House would be stultifying its own action if it does not go further, and ask the publisher of the newspaper to come before the bar of the House. and then, having heard his explanation, it will be for the House to decide what shall be done. 1 It is quite clear that the Minister is absolutely astray in this matter. The course now being pursued is not according to precedent, and is a wrong interpretation of what took place in 1874. Mr. FISHER (Wellington City). - Suppose the culprit does not defy the House. Suppose he appears at the Bar in obedience to the order of the House and makes a full and ample apology ; and suppose, also, that he did what a captain-I forget his name-did in England when he was adjudged guilty of a breach of privilege by the House of Commons. He appeared at the bar of the House and made LD ample apology. It was the custom then is

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with his handkerchief and said, "This is a very dirty House." And so that farce ended. What would the member for Bruce do then? The House ought to vindicate itself, as the honourable gentleman says. I have seen many such cases in this House during my parliamentary career, and I have always seen the thing end in an unsatisfactory way. No doubt there has been a breach of privilege in this case, but I have never seen any good result by carrying the matter to the bitter end. It is now proposed to set up a Committee. There is no doubt the circumstances of this case are of a most flagrant nature. It is one of the worst cases of breach of privilege that has ever come before the House within my knowledge, because here are the actual shorthand notes taken by the Committee's parliamentary shorthand writer handed to the Dunedin Evening Star. Now, nothing can be stronger than that. I would not so much complain if the members of the Committee had given their impressions or a précis of their proceedings to this paper. But in this case here are the shorthand writer's notes of the whole of the evidence handed over en bloc. Well, I think, speaking of it as a matter of privilege, it is the most impudent thing that has ever occurred since I have been in this House. While I do not want to allow the House to make itself ridiculous in this matter, I think the proposal to set up a Committee to provide the House with all the information required is a good one. Mr. PIRANI (Palmerston). - I do not see any great harm in setting up this Committee. It will give the members of the Committee something to amuse themselves with during the session. They will be able to have a fishing-excursion or two to enable them to get at the root of the matter, and, as was stated by the member for Wellington City, they might have a cheap trip to Dunedin. But I certainly think it

is a great farce to look at this matter in the same light as the member for Dunedin City (Mr. Barclay). He has evidently spent all the day looking up constitutional history, and constitutional law, and all that sort of thing, and, like all young members of the House, he has got a great idea of the dignity of Parliament—"I, the member for Dunedin, and the dignity of the House that I belong to." When the honourable gentleman has been a little longer in Parliament, when he has learned a little more of the proceedings in reference to these questions of privilege, and more of what underlies the motives upon which action is taken, he will feel a very great contempt for anything like the raising of a question of privilege. Then, it depends to a very great extent upon who the sinner is. It depends also to a very great extent on the sort of politics the person who commits the offence holds, and it is very like suspending a member of Parliament: if he is a member supporting the Government of the day, well, he can commit almost any offence in this House and no notice is taken of it; but if he is an opponent of those who support the Government, then he will find a Star Chamber erected and he will get his punishment, not for the offence which has been committed, but because of the political whims of those who surround him.

An Hon. MEMBER .- Not in the case of the Dunedin Evening Star. Mr. PIRANI .- So far as the present case is concerned, it is not so much a question either of the paper publishing the information or of the reporter who got it, but it is more a question of who supplied the information, because the person who supplied the information must have known when it was supplied that he had no right to supply it; and I say, as I said before, that I lay the fault to a very great extent on the shoulders of the Committee themselves, who evidently did their work in such a loose fashion that they have asked for this sort of offence to be committed. If a Committee likes to take proper care of the reports of its proceedings, and if the members themselves respect what goes on before the Committee, there cannot possibly be any publication of this sort, because, as has been pointed out, it is the actual shorthand reporter's notes which have been published, and not a mere resume of the proceedings of the Committee. And I take exception altogether to the axiom laid down according to the Minister of Justice—that the publication of what goes on before Select Committees is induced by the presence before the Committees of members who do not belong to those Committees. Why, one of the greatest sinners we ever had in this House in regard to the publication of matters coming before the Committees was the Premier of this colony. Honourable members will remember the old Press room before it was pulled down, and will recollect that it was quite a common thing for certain members of the House to go to that Press room after meetings of the Committees were over, and to give information to the pressmen *con amore*, just as they pleased.

An Hon. MEMBER .- NO. Mr. PIRANI .- It is a fact, and can be borne out by other pressmen in this House. It was never looked upon as a serious offence at all; and to say that members who do not belong to Committees at all give away information is to talk utter nonsense, for there are hardly any members in this House who take the trouble to attend the meetings of the Committees. I regret that there are not more, because then those meetings of Committees would be of much more use than they are. But the question of ascertaining who is responsible for this report being published is undoubtedly putting the cart before the horse. If the Minister thinks it is desirable and the House thinks it is desirable that there should be an inquiry as to who divulged the proceedings it will not do very much harm, but it would not do a great deal of good. To invoke the mighty power of Parliament in cases of breach of privilege, even in the Old Country, is very much a thing of the

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guilty of a breach of privilege by the House, because that paper challenged a Minister to say outside what he had said in the House, the House laughed at the very idea of bringing the offender before the House, because they have no sympathy with this antediluvian form of punishment. It is altogether out of date, and, however much the professor of constitutional law may advocate such ideas, men of common sense know that they have no effect. So long as it is a good report that is published—and in this case the

Chairman of the Committee assures us that what was published was a fair report of what took place before the Committee- no great harm is done. And, if there is any- thing on which light should be shed by the Press in regard to what is being inquired into by this House, it is what has gone on in connection with these dredging companies, and that is one reason why I am not sorry that this question of privilege has been raised, for it will direct the attention of honour- able members to what is going on before that Committee. If this question had not been raised the Committee would have reported, the evidence would perhaps not have come before the House at all, and the whole thing would have ended in smoke. Now, this matter has aroused the attention of the House to the question before the Committee, and it will arouse attention in the country, and much more thought and consideration will be devoted to the alleged evils complained of than would have been the case had the matter been dealt 32106019788246 with in the ordinary course. Mr. G. W. RUSSELL (Riccarton). - The motion now before the House is that a Commit- tee be set up to inquire into the matter of the publication of evidence, which publication constituted a breach of privilege. Now, Sir, I am not aware, from the Standing Orders, that there could be a breach of privilege in an officer of the Committee giving this evidence. The whole gravamen of the offence is the publication. That publication has already been declared by the House to be a breach of privilege. The Stand- ing Orders say that it shall be a breach of pri- vilege for any member of the Committee or any other person to publish evidence taken before a Select Committee which Committee has not reported to the House. Then, the question comes, What course is the House going to take, having already affirmed that a breach of pri- vilege in this behalf has been committed? Are we going to do anything at all? What can be the object of setting up a Committee ? All the Committee can do is to try and ascertain how the reporter of the Dunedin Star obtained the information. Supposing it should be ascer- tained that he obtained it from one of the officials of the Committee, the House will not be in any better position, except that it will be the duty of the Government to dismiss the official who is guilty of handing over the evi- dence. On the other hand, the Committee would, no doubt, have the power to call upon the reporter of the Star, put him on his oath, Mr. Pirani formation, it would be the business of the Com- mittee to report to the House, and the House would deal with him in the ordinary course for contumacy. This seems to be the position which would naturally follow. But after all this investigation has taken place the House would be no nearer than it is now, it having affirmed that a breach of privilege has taken place. I should like the Minister for Railways. in the course of his reply, to indicate what good purpose he expects to follow from the setting- up of the Committee-what is the object of it ? If it is merely to provide a means of retreat to the paper from the probable results of its action in committing a breach of privilege, let us under- stand plainly and straightforwardly that that is the object. If, on the other hand, he pro- poses to set up the Committee to ascertain whether an official has been guilty of handing the information over, I have already shown he would be able to accomplish nothing but the dismissal of the erring official. So far as I am concerned, I have been connected with the Press of the colony for a great number of years, but while I hold a seat in the House I consider the honour of the House to be far greater to me than any professional connection I have with the journalism of the colony. I do not sympa- thize at all with the remarks of the honourable member for Wairarapa, who spoke from & journalistic point of view, as if it ought to be the duty of the House to stand by and see its dignity set aside and then laugh at it. I do not wish to dwell on this point; I merely rose for the purpose of saying that I trust the Minister will explain how far he proposes to carry the matter. If the proposal to set up a Committee is to provide a way out by the back-door for the paper, let us understand what we are doing. If, on the other hand, it is intended as a genuine effort to provide means of ascertaining on whom the responsibility must lie for the breach of privilege, I say that is already settled by the House in the motion that a breach of privilege has taken place. Mr. McNAB (Mataura) .- I think the honour- able gentleman in charge of the motion can well defend the proceedings he adopted. I do not think it follows that his resolution is out of place. In the first place, I would refer honourable members to

the "Rulings of the Speakers " already quoted from. On page 156 they will find, "The first motion moved should be that a breach of privilege has been committed. If that is affirmed, then a further resolution is moved." Honourable members will remember, in spite of this being laid down by Mr. Speaker O'Rorke, there is one other method by which the House proceeds : it appoints a Committee to go into the evidence and report to the House whether a breach has been committed. If honourable members would only listen until I have settled the point they will then be able to understand the position. At the present time I am settling this question. Now, in place of the procedure which was adopted in 1874, this House has this after-

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it has declared that a breach of privilege has been committed. What is the next step to take? Let us look at the Standing Orders of the House, as interpreted by the ruling of the Speaker, and see if the Hon. the Colonial Secretary is not in order in introducing this motion. Looking in page 157 of the Rulings, we find No. 13 :- "The House first decides whether a breach of privilege has taken place, then hears explanation of the person accused, then decides whether it will proceed further or not." Our next business after declaring that a breach of privilege is committed is to make provision for hearing the person accused, and the best way in which the House can hear the explanation of the person accused is to ask that person to appear and give evidence before a Committee, which will report to the House. Hon. MEMBERS. - NO. Mr. McNAB. - Sir, I am not responsible for the ability of the honourable member for Riccarton to follow logical argument, but it is not necessary at all that the accused person should be brought to the bar of the House and there give his explanation. The person accused can equally well give an explanation before a Committee of the House ; and it is the duty of that Committee, having heard the explanation of the person accused, to bring down its report to the House, and then is the time for the House to decide what the next step to be taken is: whether the House ought to punish the person who is accused ; and if it is to punish him what the nature of that punishment will be, or whether the circumstances surrounding the breach of privilege are such as not to warrant further action. This Committee which is being set up by the resolution before the House will bring down a recommendation to this effect, and then the House will proceed, or decide that no further action shall be taken. Regarding the general question of whether we ought to open our Committees to the reporters of the different papers, I am one of those who hold that our Committees ought to be as open as, at any rate, the Courts of the land. If we open our highest Courts of the land to the newspaper reporters, then what have we got in this House and in the hearings before the Committees that we should debar the reporters from appearing ? It need not follow that because in this House the proceedings of the House are privileged- and then, again, they are only privileged to the official publication of the House - therefore the privilege will attach to the reports that reporters may send to their papers of the proceedings of the Committees ; and, if no privileges attach to the report, who, then, will be injured by any publication ? That is my opinion, and that is the direction in which I will vote if the question is brought up for an amendment of our Standing Orders; but at the present time there is no proposal before the House to deal with our Standing Orders. We have decided the question that a breach of privilege has occurred, and I believe we ought not to stop at punishment will be inflicted in the event of the Dunedin Star not being able to give a satisfactory explanation-which I hardly see can be done-of what appears in its columns. But I believe, myself, that the method which the honourable member who is leading the House at the present time has suggested is the best course we can follow, and that we should require the publisher of the Dunedin Star to appear before a Select Committee, and let that Committee report to this House, and then the House can decide what punishment it will mete out. Mr. MASSEY (Franklin). - Sir, an attempt has been made to show that the breach of privilege case which occurred in 1874 has no bearing on the case before the House. Sir, I am willing to admit that on one point the two cases are not exactly parallel-that is, that in the case now before the House the House has decided that a

breach of privilege has been committed ; whereas in the case in 1874 the matter was referred to the Speaker of the Legislative Council, who ruled that, in his opinion, "a gross breach of privilege had been committed," and he recommended that a Committee should be set up to inquire and report, and a Committee was set up accordingly. There are a number of members who have expressed the opinion that it is not competent for the House to set up such a Committee, because the House had already affirmed the fact that a breach of privilege had been committed. But according to a ruling of Mr. Speaker's, quoted by the honourable member for Mataura, the first motion should be, "That a breach of privilege had been committed," and if that is affirmed a further That is exactly resolution must be moved. what is now being done. Some members who have spoken seem to think there is only one issue involved. Sir. there is more than one issue involved. The member for Dunedin City (Mr. Barclay) expressed the opinion that only one person was responsible, and that that person was the publisher of the journal. Sir, is not the party who supplied the information equally responsible ? I submit he is ; and we want to know who supplied the information, and with that object it is proposed to set up a Committee, and I consider the order of reference covers everything that is required. I will read the finding of the Committee in the case that has been quoted. "The Committee find that Mr. - , a witness before the last-named Committee, gave the information to Mr. - , a member of the House of Representatives, who telegraphed the article to the Southern Cross newspaper at Auckland on Sunday last, the 2nd instant, and that the said article was reproduced as a Press telegram in the Wellington Tribune newspaper of the 4th instant. Your Committee are of opinion that a breach of privilege, for which Mr. - and Mr. - are primarily responsible, has been committed by the publication of this telegram." That is to say, the Committee inquired into the breach of privilege and discovered who the

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this case. We want to discover who the guilty parties are, and, if the Committee discover the names, they will report them to the House, so that the House may deal with them as it thinks fit. Mr. BARCLAY (Dunedin City) .- Sir, I desire to make a personal explanation. I understand the honourable member represented me as saying that no one was liable to punishment in this case but the publisher. Of course, I never said anything of the sort. I never dreamt of it. I said that, whoever was not responsible, the publisher certainly was responsible for the publishing, and the House had so decided. I contend that the publisher is the one person who we certainly know is responsible, whoever might not be. Mr. MASSEY (Franklin) .- Sir, by way of explanation, I would like to say that I took down the words as they were spoken by the honourable member. The words used were, "The only person who is responsible is the publisher." I think the honourable member will not deny that I am correct. Motion agreed to. Sir J. G. WARD .- It has been suggested to me that the member for Bruce being a member of the Goldfields and Mines Committee, it would, perhaps, be better if some other member of the House took his place on the Committee of privilege. Mr. J. ALLEN .- I would rather not sit on the Committee. Sir J. G. WARD .- I move, That the name of Mr. Pirani be substituted for that of Mr. J. Allen. Mr. G. W. RUSSELL .- Sir, I submit the time for amending the motion has gone past. Mr. J. ALLEN .- I wish to ask leave to withdraw from the Committee. Mr. DEPUTY - SPEAKER. - The amendment can only be made with the indulgence of the House, and, under the circumstances, I do not suppose any member would object to the Minister for Railways moving the amendment. Mr. BARCLAY (Dunedin City) .- I would like to point out that the member for Palmerston expressed some strong opinions on the subject this afternoon. He is also connected with a newspaper as proprietor. He has expressed the opinion that these cases never come to anything, which is not quite correct. I think it would be better to select some honourable member who has not expressed such a very decided opinion on the question. Sir J. G. WARD .- I feel sure that the honourable member will, on reflection, see that what he has suggested is scarcely fair. An honourable member from the opposite side ought to be on the Committee, and he should be one of experience. I did

not select the honourable member for Palmerston because he is a news- paper proprietor, but because he is an intelli- gent member on that side of the House. Amendment agreed to. Mr. Massey Mr. J. ALLEN (Bruce) .- Sir, when 7.30. the debate was adjourned on Friday evening last I was speaking, and the Premier attempted to prevent me going further by urging his colleague the Minister for Public Works to move the adjournment of the debate. The result of that would have been that I would have been excluded from making any further remarks ; but fortunately that was frustrated. I had been alluding to the fact that the Right Hon. the Premier and Colonial Treasurer had ended the year on the 31st March last with a deficit in the Public Works Fund of something like £260,000. I do not know that it has ever occurred before in the history of New Zealand that we were unable to meet our liabilities at the end of the financial year, either by loans in hand or by loans authorised. Neither by loans authorised nor by money in hand had the Pre- mier sufficient money to meet this liability. and I think it may be said to be a dishonest action on the part of the Treasurer or on the party of the colony to incur liabilities with- out having money to meet them. I had also alluded to the enormous power of borrow- ing money that had been placed in the hands of the Colonial Treasurer for the current year. and I stated it to be no less than, including the balance in hand, including loans already authorised, and including the two millions which he proposed to ask for this year-I say I stated that the amount available during the current year was no less than \$5,000,000 sterling. The Premier, however, denied that; and it will. therefore, be necessary for me to give deta .. to show that that is correct. Under the Cor- solidated Stock Act of 1884 the Premier is authorised during the current year to borrow money by means of debentures for the sinking fund, say, to the extent of \$50,000; under the Government Loans to Local Bodies Act, he can borrow \$200,000 without appropriation. under the Act of 1886; he has authority. with the appropriation of Parliament, to borrow \$50,000 under the Act of 1891; he has the authority, without the appropriation of Parlia- ment, to borrow, under the Act of 1898. another \$250,000 : making altogether. under the Govern- ment Loans to Local Bodies Acts, EMwww. Under "The Land for Settlements Act. 190)." he has power to borrow the balance of the sim not borrowed last year, amounting to. Mv. \$281,000 ; and under the same Act this year he can borrow another \$500,000-making 57-1.00 under the Land for Settlements Act of 190 Under the New Zealand Consols Acts. 144 and 1900, he has authority to raise another \$294,000. Under the Government Advan ... to Settlers Act he had a balance on the 31 .: March last of \$620,000, and, with the new kat this year of a million, that will give her £1,620,000. Under the Aid to Public Works and Land Settlement Act the balance = the 31st March was £800,000, and, as he po- poses to ask for a new loan of a mi ... that will make £1,800,000. Under " Tb" Dairy Industry Act, 1898," he has author:)

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Insurance Act of 1899 he has authority to borrow \$25,000 : making a total for the cur- rent year of £5,100,000. I allude to this in order that honourable members may see how largely we have come to depend upon borrowed money, and to show that the State now is living upon borrowed money. If a check takes place now or at any time upon our power to borrow, our whole scheme falls to the ground, and this from a Government which professes to be a non-borrowing, self-reliant Govern- ment. They have led us into a greater scheme of borrowing, into wilder schemes of borrowing, and into a greater reliance upon borrowing than any Government that has existed in this colony before. I also referred to the question of the present being an unfavourable time for going upon the money-market. The Premier has taken great credit to himself for raising a loan of half a million at 4 per cent. locally. Now, I calculated the interest that that loan would yield for the first year, and I find it amounts to over 44 per cent. I looked up the Act and found that we are only authorised to borrow this money on such terms that the debentures would yield to the debenture-holders only 4 per cent. They have sold those debentures to yield to the purchaser 4} per cent. for the first year- illegally, I say. Honourable members will find on page viii. of this Statement this curious expression : " To complete the security required by the investors, 1,658 debentures have been

printed," and I wish to know why those words "have been printed " have been inserted. One would think that if the security was given to the debenture-holders the Premier would have used the word "issued." The fact is that they are illegal, and that is why they are not issued. Sir J. G. WARD .- What debentures ? Mr. J. ALLEN .- The debentures to secure the half-million loan borrowed in the colony. I wish to find out what the effect of this loan has been. The Premier said the best thing would be to borrow locally, and to a certain extent and under certain conditions I admit it. But it has its evil effects, and the effects have already been felt by the banks and those requiring money. I will just give one instance. The Corporation of Wellington were trying to secure a loan from the Australian Mutual Provident Society, and the only one condition on which they could not agree was this : That the A.M.P. Society desired the Corporation of Wellington to pay the interest in Australia. Upon that point they did not agree ; and there was a chance of their coming to some agreement until the A. M.P Society got their money lent to the Government at 4 per cent., the interest to be paid on the other side. And now the Corporation of Wellington, I have no doubt, will be left in the lurch, because this money has been taken by the Government at a higher rate than the Corporation were making terms for with the A.M.P. Society. I could give other instances of the effect of local loans being raised in New Zealand and on the "other side." The Bank of New South Wales, for instance, is now raising their rate of interest upon their interest upon advances lent to their customers. The Government have been preaching about cheap money, but this is not the way to obtain cheap money. Now I have to refer briefly to the London issue, in order to show how unfavourable the times are for raising money at Home. During the June quarter we find that £500,000 of money was borrowed at par, the cost being £3,160, while the loan locally raised only cost £1,650. And I have a few words with regard to the £500,000 which has been borrowed from the Public Trustee, being moneys repaid on account of the Bank of New Zealand preference shares. I want to ask why it is that in one of our Public Accounts this money is put down as invested by the Public Trustee in Government securities at 3 per cent. In B .- 10 of this year, being a return showing the public securities of the colony, the investment of the Public Trustee is put down as a security of the colony at 3 per cent., and that return is signed by the Controller and Auditor-General ; but there is another return, B .- 11, which is not signed by the Auditor-General, but which is signed only by the Public Trustee, where we find that very sum put down as a security at 3} per cent. I have but little time to refer to the Bank of New Zealand and the question which the Premier has raised with regard to the Bank of New Zealand dividend. If I had time I could show that the Minister for Railways, when the original Bill was before the House- and the Premier too-made it one of the conditions of the agreement that this dividend should be paid as soon as it possibly could be paid ; and yet the Premier the other evening said that action would be taken which would deprive the shareholders of the possibility of securing the dividend. I wish to refer now to one more point with regard to the raising of money in London. The Colonial Treasurer some years ago denied a statement of Mr. Duthie, then member for Wellington City, that the Stock Exchange were not quoting our 3-per-cents, which was partly true and partly untrue. They do quote a certain number of our 3-per-cents ; but even to-day they do not quote the whole of our 3-per-cents. They do quote the whole of our loans on the Stock Exchange in London, except \$2,526,620 of our 3-per-cents, which they do not quote at all ; and I say these difficulties will have to be removed before we can hope to go successfully on the London market and secure our money, even when the better times do come. Then, I will also refer to the fact of the non-settlement of the Mid-land Railway question, and its effect upon our position in London. The time has come when the Premier ought to deal with this question, and settle the matter honourably for the colony, so that there may be no drawback in this respect to our borrowing money in London. I will refer only for a few moments to the question of old-age pensions. The Premier originally, speaking on this question, estimated that the amount required for old-age pensions for the first year would be \$90,000 ; for the second year, \$90,000; third year, \$108,000;

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but in a little over three years we are already paying, or propose to pay for this year, £215,000 for old-age pensions-just about double the estimate for the third year. The Premier originally made a promise to the House that he would bring down a scheme to provide for contributions being made by those who were to receive the pension. An Hon. MEMBER. --- NO. Mr. J. ALLEN .- Yes; at page 540 of Hansard, Volume 103, Mr. Seddon said,- "I have promised that I will, if I am able, endeavour to submit a scheme outside this, dealing with the questions of assurance and insurance on the lines of that in connection with the British Post Office. no difficulty, I say, in that legislation being passed subsequently to this old-age pensions scheme." That scheme has never yet been produced before the colony, and the time has now come -and, indeed, has long gone past-when the Premier should have fulfilled his promise that the old-age pensions scheme should be put on a better basis than it is at present. Now, in regard to the investment of departmental funds in Government securities I have this to say : that the bulk of departmental funds are invested in our own Government securities. For instance, the Post Office funds amount to nearly six millions and three-quarters, and of that amount six millions of money is invested in our own Government securities, and only £725,000 out of six millions and three-quarters is invested outside the Government security, and I say that is a doubtful policy. But I am not going to dwell on that as being as of much importance as the other point, and that is this : that the Government are utilising Government funds at 3 per cent., whereas by going to London or by going to the local people here they pay 4 per cent., and have to give them special conditions and advantages to get their money. Yet, at the same time, we are taking from our Post-Office Savings-Bank and from the Government Life Insurance their funds at 3 per cent., and I wish to point out what the effect has been. The effect on the Post Office, I think, has been disastrous. The amount of 3-per-cents now held by the Post Office is \$1,879,614. The interest has fallen to the depositors, and the amount which is being paid by way of interest is falling year by year, and now the Government are only able to pay for certain sums 3 per cent., and that amount will have to be decreased still further if we are going to continue to invest the funds of the Post-Office Savings-Bank in our own Government securities at 3 per cent. Then, what is the effect with regard to the Government Life Insurance Office. The Government Life Insurance have \$625,900 of 3-per-cents, and the interest for the period from the 31st December, 1897, to the 31st December, 1898, fell 2s. 8d. per cent. From the 31st December, 1898, to the 31st December, 1899, it fell 2s 10d. per cent., and from the 31st December, 1899, to the 31st December, 1900, it fell 1s. 11d. per cent. Mr. J. Allen this period the Government commenced to take from the Government Life Insurance money at 3 per cent., and the result to-day is this: that the funds invested by the Government Life Insurance Department are earning £4 9s. 2d., whereas the funds of the A.M.P. Society are earning £4 13s. 4d. And, if that is so, can the Government go on competing with the A.M.P. Society, offering equal advantages to those who deal in the Government Life Insurance Department? It cannot be done, Sir. They cannot pay the same bonuses that the A.M.P. Society are paying, and it is placing the Government Department in an unfair position as regards competition. I regret I have little time left, as you have just rung your bell on me, Sir, but I fear that this large dependence on borrowed money is becoming a very serious menace to the colony. I fear the heavy taxation which has been imposed on us, although we have been able to bear it during the "fat " years, may be a very difficult thing to bear during the "lean " years, if we happen to get some. I fear, Sir, that the interest on borrowed money, which has been increasing, this year will increase. The estimate is that it will increase this year some £70,000. I fear that is a menace to the safety of the colony ; and this immense dependence on borrowed money is, in my opinion at any rate, a very serious thing for the colony. And, Sir, this has come from those who profess to be able to carry on without this great dependence upon loan-money from outside, or from inside either. And, Sir, it is the same with everything else- they profess, but they never practise : and if the Right Hon. the Premier were here to-night I should

have to say something about his professions with regard to those who have been of great service to the colony during the last two years - those who have been fighting our battles in South Africa. Everybody knows how the Premier has paraded "our boys at the front." and on every platform in the colony he has made political capital out of them. I recollect the Premier's patriotism about twelve years ago. It was the patriotism of separation, and the patriotism of elective Governor, and to-day, Sir, I say-although I will not say what I should say if the Premier were here-I say that he is parading "our boys at the front " merely for political purposes, and that alone, and I will prove it to the Premier when he is present. I will not take advantage of him in his absence, but when he is present in the House I shall prove, I think, to the House and to the country that he has simply been using our boys who have gone to the front solely for political purposes, and that he cares no more about them than he cares about everybody else ; he only cares when he can utilise them for his own political advantage. An Hon. MEMBER .- You know nothing about it. Mr. J. ALLEN .- I do know something about it, and I shall say what I know when the Premier is here. I will not say it to-night. Sir, I think that this Financial Statement

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the colony ought to be awakened to a knowledge of the position we have drifted into -a position in which we are unable to meet our liabilities, a position in which no provision has been made for our liabilities. I say I do not know that there has ever been a time in the history of the colony when the Colonial Treasurer has been placed in the position of having to go to the foreign money-lender admitting, "We have so much liabilities and we cannot meet them, and we have to come to you for a loan." Is it a favourable condition under which to go to the outside money-lender for a loan of money when you have to tell him that you have exceeded all the money available, and that you have incurred liabilities which you have no means to meet ? Supposing you could not borrow the money in London or here, what would become of the £260,000 extra liabilities to meet which there are no ways and means at present available ? Mr. DEPUTY-SPEAKER .- Time is up. Mr. WITHEFORD (Auckland City) .- I had not the slightest intention of speaking, but I would like to say a few words chiefly directed to the question of the position of the working-men of New Zealand, and of the industrial classes, and of our industries and of our manufactures. An Hon. MEMBER .- We cannot hear you. Mr. WITHEFORD .- I must ask the indulgence of the House to-night, for, like many more of my fellow-members, I have been laid up for the last few days. In regard to the question of the industrial position of New Zealand, I ask, Why should not the same spirit of Ministerial prestige as is given to military matters be given to the establishment of industries? Let us provide an alternative for the periodical stagnation and depression which have ever occurred, and which will otherwise be actually brought about by the well-meant policy of the present Government. In proportion to the check given to private capitalists and industrial concerns, so the State should provide a counterbalancing system by which workers will not between two stools come to the ground and be left without any work at all. The working-man cannot regulate finance or control financial concerns, and the law-makers who introduce regulations which increase the cost of production should be prepared to show that they can produce on the same system, to prove that they are going on practical lines. I would like the Government to lay down a practical system in regard to each form of industry they think necessary to interfere with, and show how articles for sale or export can be produced at a profit within the four corners of the Acts, or proposed Acts, affecting these industries. The Government have individual ability of high order, and high enough to devise and carry out a more up-to-date business policy. The railway formation should also be carried out on commercial lines, and run parallel with land-settlement, the prosecution of one leading to the successful VOL. CXVII .- 43. should be carried out more energetically in the interests of the whole colony, because mining communities provide the best cash markets for the settlers' produce. Development should be carried on on more practical and go-ahead lines than in the past. If men can be sent Home in order to marshal our business and arrange for the sale of

our produce, I fail to see why the same plan should not be carried out in regard to goldfields development, nor why specially qualified men should not be sent to the goldfields to make them more productive, directly and indirectly. Then, there are raw materials which can be obtained in different parts of the colony; all this should be made the basis of industrial works ; we should start first one and then another department in accordance with their merit. The reducing of rates of interest is clearly borne by people dependent on their incomes, and with trade and industries the reduction of profits on manufactures will mean reduction of wages. Such is the traditional effect shown in the past on trade in the case of individuals, and it will doubtless prove the same in the case of the country ; the business of a country is only the business of thousands of individuals rolled into one. If revenues are cut off and unproductive one. expenditure increased, sooner or later the State employ  s will have their wages cut down, just as people have their incomes cut down through the reduction of interest. I feel we have not paid sufficient attention as a Parliament to the industries of the colony. The prevailing tendency of our legislation is so to hamper the industries in connection with the Factories and other Acts that there will be a percentage of loss in connection with the products of the colony, instead of a percentage of gain. The consequence is the colony will be placed in the position of the old woman and her apples : she lost a little on every apple she sold, but she said that it was the quantity she sold made up for the loss. If each industry is to be attacked so that the goods we produce cannot compete with those outside, it means that the greater our manufactures become the greater will be the loss to those who have money invested in them. A constant stream of money is required to turn the colonial wheel of prosperity. If Government could arrange to pump that stream of wealth out of our own goldfields, they would at the same time turn the whole of the wheels of every other local industry in the colony. That is why I should be very pleased if the Minister of Mines would give greater attention to a more speedy development of the goldfields, because, though we cannot always command the markets of the Old World, we are benefited by strong internal markets, such as those of the goldfields, which provide the best market for the settlers' produce, and are, therefore, worthy of every encouragement. Personally, I am a supporter of the Government, and I am going to continue to support them ; but when there is a slight tendency to visionary legislation, and a failure to pay sufficient attention to providing reproductive work for the

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late them to doing something practical in the interests of the workers. Anything I say against the present Government in regard to the stagnation of trade that periodically comes on the colony applies with equal force to my friends on the other side of the House. I will tell members why I say so : Some ten or twelve years ago, when a similar difficulty was faced in the colony, and the miners were leaving our goldfields, I came to Wellington and saw the late Sir Harry Atkinson and some members of his Government, and pointed out to them that shipload after shipload of experienced miners were leaving the northern goldfields for Australia and other parts of the world to develop the mineral resources. Sir Harry Atkinson promised to see that something was done by means of which the experienced miners whose knowledge and service were of such value in the development of the goldfields of the colony, should be retained in the country. I suggested to him that practical use should be made in the first instance of the Geological Department, and that the men should be sent to investigate the position of the different auriferous districts of the colony. They should find out what mines had been partially developed, and see that proper treatment was being given to the ores of the district, and point out to people who were spending money whether they were spending it so as to obtain the best results from their work. As I mentioned the other day, one mine in Auckland-the Waihi-was not being properly run at one time. They were not treating the ore in a proper manner, with the result that it was returning only 3 dwt. to the ton; but we find that under a different treatment last month's return from the mine was valued at £38,000, and every month the average value of the mine is now over £30,000. That mine, as I have said, was much

neglected at one time ; but on account of one young man with expert know- ledge going to the field the system of treat- ment was improved, and the mine has produced gold to the value of two millions sterling in the last ten or twelve years. There are a number of other properties in a similar position between Wellington and Auckland ; and I maintain that if the Government would take action to demon- strate the value of our mineral resources-let the honourable gentleman take up the mining industry first of all, and let other Ministers deal with other industries later on-the result would be similar to that achieved at Waihi. The goldfields of the colony would turn out large quantities of gold. Many mines that are now returning nothing at all would be made to produce handsomely, and in that way much good would be done to the colony, for every one knows how valuable a goldfield is to a country. An Hon. MEMBER .- What about the Royal Oak ? Mr. WITHEFORD .- It is said that mine is not being treated in a proper manner; but £50,000 has been spent to develop it, and, al- though it has turned out gold valued at £50,000, much good might yet be done for it by the Mr. Witheford also be done in other parts by instructing the people to use the right plant, and to so treat the ore that the best results would be obtained. Sir, I feel rather reluctant to take up the time of the House to-night ; I am not in proper form to address the House. I consider, however, it is the duty of members to point out to the Ministry that we should give more practical stimulus to industries, for pre-eminently the great question of the age is the profitable employment of the people ; yet it is probably the subject to which we give proportionately the least attention. We are all to blame, more so than the members of the Government, if we do not strengthen their hands as much as lies in our power. As far as I am concerned, I shall do what I can on behalf of the province I come from. In the North Island we have gold enough to pay off the national debt of the colony if the Government will only go to the trouble of devising some satis- factory scheme for getting it out of the ground. The colony has already produced gold to the value of \$56,000,000, which is far in excess of its national debt. The English people could not turn that amount of gold out of England for the reason that they have not got it. Let the world know that we have mineral wealth. which, if properly developed, could make us in- dependent of the foreign money-lender. In re- gard to gold production, I would like to say that I believe the Minister of Mines is a good, practi- cal man, and that if he set to work he could de- vise a system by which the unemployed miners of the colony could be made to produce gold ad- vantageously to the country. I say, Sir, that it would be far better to set them to work to de- velop these hidden treasures that we have all over the country than to allow them to leave our shores. Our miners have a far better know- ledge of the auriferous conditions of the districts in which they are located than any man im- ported from other countries can possibly have, and if we permit them to leave, we suffer an irreparable loss. In any one of these men we may be losing a Sir John Mckenzie, an R. J. Seddon, or a Minister of Mines like the Hon. Mr. McGowan. I believe the Hon. the Minis- ter will make a name for himself in this country if he will only rouse up and stimulate the goldfields industry. Apart from the wealth the miners would produce, every man would be valuable as a settler, and a taxpayer, and a contributor to the population. Is it right that the Government, who are talking about a de- creasing population, should sit quietly and see our able-bodied miners leaving the goldfields, simply because English capital is being with- drawn ? I say, Sir, that it is wrong to do so. There is no better market in the world for the sale of produce than on a successful goldfield. When we consider the immense amount of auriferous country between Wellington and Auckland, and the rich gold-mines already opened up in Auckland; when we take into consideration the Urewera-country and the Kaimanawa Ranges, I say it is a great pity that nothing has been done to develop that rich country. Instead of showing timidity in regard

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proud that we have such wealthy resources, which only await the strong arm of the working- man for development, and the guiding hand of the Ministry. Sir, I think that we have now had quite sufficient of military glory, and I would like to see the Government making an effort to popularise industrial,

agricultural, and mechanical glory. I would like to see something done in the direction of inspiring our young men to take off their coats and engage more in mechanical pursuits. And when any new industry is started I would like to see the Government go with a band, to inspire our young men, just as they did when they went to see our young men off to fight the Boers. Get them to make the young fellows feel delighted at having the patronage of the Government by feeling that attention is being directed to these pursuits. So much can, I think, be done by Parliament and the Government to popularise peaceful pursuits and to encourage our young men to get to work earnestly that I hope the matter will be given our most serious attention. Nowadays there is too much tendency to indulge in politics. There is too much desire for the glories of war, and too many of our young men want clerks' billets, so that they can keep their coats on. We want to get that desire out of the minds of our young men. They should feel as much pleasure in mining, agricultural, and mechanical pursuits. Mr. HUTCHESON. - Why do you not have a go at that kind of work yourself? Mr. WITHEFORD. - I have done it myself, and I am just as proud of having done that kind of work as of any other. Now, in regard to land-settlement questions, I know that most honourable members could teach me a good deal more upon that subject than I know myself, and I shall not refer to it further than to say, as a member for Auckland City, that I find there is nothing mentioned in the Statement in connection with expenditure in that direction in the Auckland Province. We find that large sums have been expended in other parts of the colony in the purchase of lands. We were told some little time ago that a sum of £700,000 was spent in Canterbury upon close settlement. Now, I do not object to money being expended in the South, because I consider that the prosperity and progress of the South is intimately connected with the welfare of the North; but at the same time I say that the settlement of the enormous areas of waste lands in the North Island will advance the interests of the whole colony. Those lands require to be surveyed and alternate lines of railroad run through them, and the sections should be cut up in accordance with their suitability for occupation in small or large areas, so that those who take up the smaller sections may, while improving their land, find work on the larger areas. A scheme of that sort would be something practical, and would be far better than continuing the experimental legislation that has taken up so much of our time during the last session or two. I know that the Government are capable of carrying it out, it is my duty to urge them to push this colony ahead, and that is not to be done by introducing the class of legislation we have had during the last few weeks in this House. It is simply setting class against class. Let us have a few years' trial of the legislation already on the statute-book, because if we go on piling up legislation of a similar character it may only have the effect of undoing all the good we have already done. We require to give a few years' trial to existing legitimate legislation, and instead of breaking down industrial structures, to rear greater temples of industry in our midst, so that every one in the colony who wants work may get it. By a practical arrangement we ought to be able to take another 500,000 men in this country and find them work, because our resources-our raw material-are so great and our climate is so favourable that there should be no difficulty whatever in making New Zealand the great manufacturing centre of the Pacific. But we cannot accomplish that by placing restrictions upon every little industry that has started, and making it difficult for the people to produce goods at a price that will pay and enable them to compete with the outside world. If the Government think people are going to put their money into industries and go on manufacturing goods at a loss they are very much mistaken. And if the Government policy is right in connection with those restrictions, let them prove it by showing that it is possible for people to produce goods at a price which will enable them to get some return and also pay their men the current rates of wages - let them show that that can be done while keeping within the four corners of the restrictive measures they have passed. I regret very much that I did not hear the speech of the member for Hawke's Bay, because I have a very great regard for the other side of the House. As I have stated, I am very friendly with the members of the present Government, and yet, as Lord Salisbury said, "I am on friendly terms with foreign Powers." The

Minister of Lands, I believe, is firm in his determination to remedy the gross neglect which has characterized the action of the Government during the past ten years. With regard to the treatment of the North of Auckland, I believe his intention is to rapidly open the Crown lands in the North Island and hasten the settlement of the country, and I believe if he does that he will save the position of the Government, especially if he is backed up by his worthy colleagues the Minister for Public Works and the Minister of Mines. There is any amount of pastoral land which is waiting to be occupied, and which if taken up will carry several million more sheep and cattle than we have at present in the colony ; and that will mean employing men in fencing, and in other ways, and thus will greatly tend to increase the prosperity of the colony. Then, the Minister of Mines could also employ large numbers of men in digging for gold, in which case we shall not need to go to the London money-market ; but, on the other hand, we shall become lenders.

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money to other nations. I think the Minister for Public Works is one of the best working-men in the Ministry. He devotes himself steadfastly to his work, and I believe his intention is to expedite the construction of the North of Auckland line, and complete the North Island Main Trunk Railway within the next three years; and I hope to see the principal lines in other parts of the colony completed also. The Minister for Railways is one of the most able members of the Government, and runs his department in an efficient manner. I am exceedingly sorry that I have such a bad cold that I cannot dwell at such length as I should like upon the work they might do to promote industrial prosperity. In regard to the mail-service, I do not agree with the sentiments expressed by the Government. With respect to encouraging the carriage of mails via Suez, my idea is that to bring our mails and passengers by way of Australia means their percolating through all the ports of Australia, coming to us second-hand, as it were, and their landing here a week later is a mistake. I think the Premier said it would be a good idea to encourage steamers coming by the Suez Canal to Australia and New Zealand. In regard to the Frisco mail-service, I think that both on commercial lines and on grounds of defence it is a great service for this country. An Hon. MEMBER .- What about the Vancouver service ? Mr. WITHEFORD .- I think that in every respect the Frisco service is better than the Vancouver. It is quicker, and you would have that which is most important for every country to have-namely, an ally. When I tried to get the British Government to subsidise the mail-service from New Zealand, either by way of Frisco or Vancouver, they would not do it ; but they said, "Next to the British flag, we hope you will have your mails and passengers carried under the American flag, because the day will come when we shall work in unison," and therefore every effort during the last six or eight years with regard to mail connection has been on that suggestion. In regard to commercial allies, it is necessary for a colony situated in an isolated position like New Zealand to have an ally. Colonies like New South Wales and Victoria are connected by rail on the great Australian Continent, but we depend entirely on water-carriage for our connection with the outside world. In the case of America we get a port five thousand miles nearer than any European port, and we have there seventy millions of people of the English-speaking race. They are great travellers, and they are stretching out their hands into the Pacific. They have obtained the great ports of Honolulu and Samoa, and arrangements are in force which will enable New Zealand to benefit by those ports. Of that I have not the slightest doubt. The Americans are making those ports great bases of supply. They have ordered 100,000 tons of coal from New Zealand for Samoa, and every three weeks they are getting fresh food from New Zealand Mr. Witheford through the whole of the South Sea Islands. New Zealand cannot hope to monopolise the trade of the South Sea Islands, and we cannot fence those islands round with a barbed-wire fence and say we are the only nation which shall trade there. Therefore what we must do is to work in conjunction with some Power which is going to take up a great position in the commercial world, and work with them, and be, as it were, junior partners. I consider that by working in with the American Government, by taking advantage

of the Frisco mail-service and getting the benefit of the American subsidy of €50,000, we are acting on strictly business lines ; but we should not be doing so if we cut our connection with them, because they would then seek their ally in some other colony or State. I consider that on commercial grounds we cannot do better than work in strictly friendly unison with the American people, and when it comes to the question of defence the argument is very much stronger. What is the good of spending \$60,000 or £600,000 in defending our ports here-what is the good of it as compared with that little bit of bunting called "Old glory "- the Stars and Stripes - in conjunction with the Union Jack of England ? The Americans have their fleets of ironclads and cruisers in proximity to these waters, and with a mail-service running under the American flag, with our mails and passengers being carried under it, there is thus always an alternative line, and in the event of hostilities it would be a great point for us New Zealanders to be in friendly commercial alliance with so powerful a nation as America. The building of 10,000-ton steamers to connect with Australia and other parts I really think is unnecessary, when we have 6,000-ton boats already subsidised that come here and go across to Australia, and with the new ships being built for the Union Company, and the excellent fleet already run by the Union Company and the Huddart - Parker Company. With these I do not think there is any necessity for building 10,000-ton ships to connect with Australia. As regards railway-construction. I have already said all I wish to say about it- that it would be in the interests of the whole colony to push it on to the fullest possible extent. As regards the rolling stock and material, I do think we ought to construct everything we possibly can in the colony. I am quite sure our friend the Minister for Railways will in the future, if possible, do what he has not done in the past-erect workshops with sufficient accommodation and with the necessary plant to build the required trucks, carriages, and locomotives, because when these industries are started they expand from year to year. Although the Government will not give bonuses for the establishment of different industries direct to the settlers of the colony, they are practically giving those bonuses to the foreign manufacturers, and every £100,000 that is sent away for rolling-stock and material used in the Government service is a bonus given to the people in other countries to erect workshops. Goods of

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should be manufactured here, and it should be the first duty of the Government to see that every industry is put upon a prosperous footing, and to carry this out the Government should see that any legislation should not be in the direction of hampering, but of fostering such industry. Mr. Speaker, and gentlemen, I thank you for the kindness with which you have listened to me to-night. You know, in the past, I never have taken up unduly the time of this House, and I felt so unequal to speaking that, had it not been for the earnestness I feel on this question of the unemployed being found work, I would not have spoken to-night. I consider it a pity, and a loss to any country, that there should be ten thousand men unemployed, -as is the case in almost every country in the world. If a man had a farm, and in one corner of it there were, say, a dozen men doing nothing from morning to night, you would say that was bad management. Here we have hundreds of men with nothing to do at all. It is not a matter of what the times are, but we know that the upsetting of a financial institution or the stopping of operations of a mining company will often throw three or four hundred miners out of work. These men cannot start a mine, and I am sure that something could be done for them by the Government-that is, to select the richest of the mines that are partially developed by foreign capital, make a test of the richness of the lodes, and see which would pay working-expenses, and put the men on these. If there is anything above working-expenses so much the better; but in any case it keeps these men employed until something turns up. When we consider that all the necessaries of life are grown by farmers, it will be seen that all that these men require to keep them living on a goldfield is produced in the colony, and that nothing is sent out of the colony at all. £53 per annum is the average earnings of men on the goldfields in this colony. A great many of them described on returns as miners are not working miners at all, but shoeblacks -as

everybody on a goldfield puts themselves down as miners. This reduces the average earnings of the actual workers. Therefore there is a productive form of work on goldfields which, if carried on in a practical manner, must be for the good of the colony. I am satisfied with the resources of New Zealand 8.30. from north to south if taken in hand by the Government in the proper manner. We can lay down a programme that would make New Zealand one of the richest and best countries in the world ; but it must be done by hard work, and by always producing something. Every man's labour should produce something towards the industrial wealth of the nation ; every man's labours needs to be turned to practical account, and that is what the Minister of Mines is for, and that is what we are here for : to lay down some practical policy for developing the resources of the colony ; there is no use coming to the House and sleeping. If the Government take the thing properly would be one of the greatest manufacturing centres in the whole world. Mr. G. W. RUSSELL (Riccarton). - It is very surprising that, although two leading members of the Opposition have spoken, the My ex- Ministerial benches continue dumb. perience of some years in this House is, that. there has never been a speech on a Financial Statement which has so closely followed the course of financial politics as that delivered by the honourable member for Bruce. He showed throughout the whole of his speech great power of condensing facts regarding the finances ; he showed a grasp and grip of financial matters unexcelled by any member ; and I venture to say that speech deserved a reply from some leading member of the Government. That reply has not been given ; and the fact that the Government sit coolly by while that strong impeachment of their policy was uttered, and such powerful facts are adduced, indicates that they desire this debate should fizzle out. But the speeches that have been uttered already by the ex-leader of the Opposition and the member for Bruce are speeches that, whether the Government like it or not, will be read throughout the colony ; and, no doubt, the statement made by the honourable member for Bruce as to the present financial position of the colony will receive consideration both within and without New Zealand, and it is for the Government to justify their position in opposition to the statements he made. Sir J. G. WARD .- We can do that all right. Mr. G. W. RUSSELL .- I hope the Government will. I think the time to do so is when the statements are made. Now, in the earlier part of the Financial Statement the Treasurer devotes a large amount of attention to a criticism of newspaper remarks made in reference to the financial position of the colony. Extracts are quoted from papers, and the writers are denounced as " penny-a-liners." Sir, who was responsible for the state of things which was referred to in the criticisms of the papers a few weeks ago ? I venture to say it was the Premier. The whole responsibility of the Premier in connection with the matter is laid bare by him in the interview which has been freely quoted from, and which was reported in the Lyttelton Times by some one who happened to be there, and who evidently took a full shorthand note of the remarks of the Premier at that interview. Now, Sir, it is a matter of common report, from persons who attended that deputation to the Premier, that he made very important financial disclosures at that interview as to the position of the colony ; that was a matter of common report without going to the newspapers for it. But that was not the only instance. On two occasions in this House the Right Hon. the Premier said in so many words that the financial position of the colony was causing him the gravest anxiety, and that he had the greatest difficulty in making both ends meet. The remark that he made was this : He said on one occasion, " It is not that the revenue is not keeping up, but it is that

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meet." Then, Sir, coming on the top of a statement like this, we had the statement made throughout the colony, and not denied, first of all, that the Government had borrowed £100,000 from the A.M.P. Society at 4 per cent., with interest payable out of the colony, in order that the society might save paying income-tax. Shortly afterwards we had the further statement that the Government had borrowed from another insurance company trading in New Zealand the sum of £25,000 ; and these statements were so much in conflict with the allegations of the Treasurer that at the close of the year he had a credit balance

of £532,000, that people were alarmed at the idea that, within the course of three months, the Government, with such a vast surplus, was compelled to go, hat in hand, down Lambton Quay for the purpose of borrowing money in order to pay salaries in New Zealand. Sir, that was the position, and the responsibility for what the Premier complains of in the criticism of the newspapers as to the acute financial difficulty in this colony a few weeks ago, rests with the Premier, and not with these people he chooses to describe as "penny-a-liners." Now, Sir, in the course of the speech made by the member for Auckland City (Mr. Napier), who was put up by the Government to reply to Captain Russell, he used this term : "If the Conservative party came back to power." Sir, the Conservative party is never coming back to power ; that party, as a party, has disappeared for ever from the politics of New Zealand. At the election of 1890, and at the election of 1893, and the election of 1896, and the election of 1899, the country has declared against the old Conservative party as it existed. That is the position, Sir, without any doubt ; and, therefore, to raise this bogey of setting up the old Conservative party, as it existed in days past, as the alternative which the country has to fear-setting up the idea that if there is a change of Government that change will necessitate the abolition of the Advances to Settlers Department, of the land-for-settlements-policy, and other progressive planks that this country has adopted during the last ten years-is absurd. Whatever changes there may be-and, of course, changes there will be in connection with the politics of this country in time to come-these changes will be in the direction of a policy that shall combine progress with prudence and honesty of administration, and which will bring the country back to what I regard as the policy of the greatest statesman New Zealand has yet produced-I mean the Hon. John Ballance -whose policy in 1891 was that of self-reliance, and independence of the London money-market. Now, Sir, let me refer very briefly to what was the actual position of the colony, as at the 31st of March last, as compared with the position the previous year. During the year ended the 31st March, the revenue of this colony increased by £272,000, but the expenditure increased by £340,000 ; and, if to that increase of \$340,000 we add an increase of the Mir. G. W. Russell any member of the Government to controvert and prove to be wrong : that, compared with the previous year, the colony during the year ended 31st March, 1901, went to the bad to the extent of £141,000. I say that is the position as compared with the previous year. And, Sir, if we turn to the accounts for the quarter just expired, the quarter ended the 30th June, we get still further light as to the actual financial position of the colony. Let me point out that the Gazette issued last Tuesday shows that at the beginning of the quarter there was £523,000 cash in the Public Account. At the end of the quarter there was a debit balance of \$97,000, and the Treasurer starts the second quarter of the financial year £280,000 poorer on the Consolidated Account than he began the September quarter of last year with. And if we turn to the liabilities, we have a very strong side-light thrown on the Government finance. Honourable members will understand that the liabilities on the Consolidated Account represent the known and unpaid accounts as at the 31st March. In other words, they are the bills which the Government have in hand on that date and have not paid. In 1892, under the treasurership of the Hon. Mr. Ballance, the liabilities of the Consolidated Account amounted to £101,000. Last year they were \$203,000, an increase of over \$73,000 as compared with the previous year. In other words, on the 31st March, 1901, the Government had over \$70,000 more unpaid accounts in hand than they had on the 31st March, 1900. Let me show honourable members the departments in which the chief increases were. In the Colonial Secretary's department the liabilities were £6,000 more than in the previous year ; in the Post-master-General's department the liabilities were £7,000 more; in the departments of Minister for Railways the liabilities the were £16,000 more; the Defence Department's liabilities were \$35,000 more; and the liabilities of the departments of the Minister of Lands were £5,000 more. These amounts show a total on the increase of the liabilities of £69,000, other departments making up the other £4,000 of the increase of liabilities. But, Sir, when we turn to the Public Works Fund, the liabilities in comparison with the previous year become absolutely colossal. These

figures are not, perhaps, actual payments due, but they are commitments - that is, accounts owing, and engagements so far entered into that the colony will be compelled to pay the money sooner or later. What was the position in 1892, when Mr. Ballance was Treasurer ? The liabilities of the Public Works Fund on the 31st March, 1892, were #313,000. Last year they were £1,292,000. The increase during the year was made up in this way : The increase of liabilities as compared with the previous year was, on railways, \$489,000 ; on roads, \$131,000; on telegraph extension, £6,000; on buildings, £29,000 : on lighthouses, £7,000; and on contingent defence, £140,000: making a total increase, as compared with the

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was the late Mr. Ballance's policy. This Financial Statement bristles with comparisons between 1891 and 1901. I will take members back to the man who founded the Liberal party that has been triumphant during the last ten years, and will arraign the present Government before I am done by saying that they have departed from every one of the cardinal principles on which Mr. Ballance built up the Liberal party. Here are some quotations from the Budget speech of 1891. He says, - " If we are to maintain our credit and financial independence, borrowing in the English market must cease ; while any local borrowing is likely to be confined to the absolute necessity of carrying on those essential works of colonization, such as the settlement of the people on the land, on which depend so directly the prosperity of the community." That is what local borrowing was to be confined to ; and again he says, - " On the other hand, if the machinery of Government could be simplified, and judicious retrenchment carried to its proper limit, the expenditure side of the account might still be considerably reduced. But we are strongly of opinion that any material reduction must come from a more direct and simple form of administration, directed to the attainment of practical ends ; and it will be necessary to see that our measures of legislation do not include liabilities which will render this form of economy an impossibility." He further says, - "It is true our debt is great, and the population to bear the burden comparatively small. We have marched for twenty years at a furious pace, too severe to last, and have piled up obligations to make sane men pause." " I desire that it may be understood that the only safe policy for the colony is one of self-reliance-one which fosters colonial enterprise and creates a colonising spirit, which recognises that the capitalist equally with the labourer must be identified, by residence and fulfilling all the duties of a colonist, with the progress and destiny of New Zealand." In another part he went on to say that Parliament should commence to " erect the structure of our financial independence." These, Sir, were the leading lines of the Ballance policy of 1891. Now I shall proceed to show how they have been departed from by the present party ; and now take, first of all, the growth of the national debt. On the 31st March, 1901, the net debt of the colony was #37,359,000 ; on the 31st March last it was £48,557,000, showing in round numbers an increase of £11,200,000 in ten years. This is surely, as Mr. Ballance said, "marching at a furious pace." Now, analysing the debt a little closer, I shall show how Mr. Ballance carried out his principles. The net debt on the 31st March, 1893-the year Mr. Ballance died-was £38,144,000, so that, after carrying out his policy of self-reliance for two years, Mr. Ballance increased the debt by or at the rate of £1,302,000 per annum. Sir J. G. WARD .- Does that £7,000,000 include released sinking funds ? Mr. G. W. RUSSELL .- I am taking the net figures of the Financial Statement as given by Mr. Ballance. I am quite prepared to admit that a large part of this vast increase of £1,302,000 per year that has been placed on the back of the country, is for interest-earning objects, such as land for settlements, advances to settlers, and loans to local bodies ; but the fact remains that on a great part of it the colony has to pay interest, as I shall presently proceed to show. I now turn to the accounts for interest and sinking fund. This is stated in the Budget to be for the last year £1,745,615; but this statement is grossly misleading. In order to put the colony's finances in a false position, various charges on interest and sinking fund account are ignored. The British money-lenders need not be deceived with the idea that the colony is carrying a debt of £48,557,000 on interest and sinking-fund charges amounting to £1,819,000, as appears in the estimated expenditure for

the year :- Actual Payments for current year on Interest and Sinking Fund. As per estimates 1,819,000 On 3-per-cent. loans for Advances to Settlers and Land for Settlement Accounts 67,200 . Land for settlements 62,693 Advances to settlers 8,000 .. Accident insurance . 70 £1,956,963 The amount payable will be, as per estimates, £1,819,000. Then, in addition to that, there are recoveries on the 3-per-cent. stock, on page 5 of the estimates, from Advances to Settlers and Land for Settlements Account, £67,200. On the Land for Settlements Account a further sum of £62,693; from the Advances to Settlers Account, #8,000 ; and from the Accident Insurance, \$70. So that the actual interest which will be payable by the people of this colony almost entirely to the British money-lender this year is \$1,956,963. The Treasurer has invented a plan by which, instead of stating the gross amount of the debt on the one side and the accrued interest from the interest-earning departments on the other, he deducts the amounts receivable from the interest-earning departments from the gross amount of the interest payable, and thus places, as I say, a false and fictitious statement of the position before the country, being the net interest payable after deducting the amounts receivable from interest-earning departments. Without any hesitation, I say that the interest payable by this colony for the year ending on the 31st March, will be £1,956,963. And now I just pause for a moment to say it appears to me that very often but little reliance can be placed upon the statements as they emanate from the Treasury. In the

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under the heading of the Public Works Account, there is stated an account of the sale of the \$500,000 of 4-per-cent. debentures, London issue, and the \$500,000 4-per-cent. debentures, colonial issue. Now, we knew of the colonial issue of \$500,000 of 4-per-cents., which is dealt with in the Financial Statement, but until that Gazette came out this week we were not informed that the Government had raised \$500,000 at 4 per cent. in London during the last quarter. This is the first intimation given that, in addition to the colonial loan of \$500,000, another \$500,000 had been borrowed by the Government in London. But when I turn to the estimates of expenditure what do I find ? I find that whilst the Gazette of the 20th August states that the English colonial issue of that loan was at 4 per cent., the Government are actually taking authority to pay at 32 per cent. on both the London and colonial issue. Which is correct ? I ask the Treasurer, or whoever may deal with the speech I am making, what is the explanation ? Honourable members will see on the estimates, under the heading of " Aid to Public Works and Land Settlement Acts, 1896-1900," " Interest on \$500,000 at 34 per cent., 1st October (London issue), £8,750. \$500,000 at 3} per cent., 1st October (colonial issue), \$8,750." And yet, in the New Zealand Gazette published on the 20th August, a few days after the Financial Statement was delivered, it is stated that the loan was obtained at 4 per cent. and not at 34 per cent. An Hon. MEMBER .- A printer's error. Mr. G. W. RUSSELL. - I do not know whether it was a printer's error or not. But there is another element that should be considered in estimating our interest and sinking-fund charges as compared with ten years ago. In the year 1894, the then Colonial Treasurer, the Hon. Sir Joseph Ward, brought down a scheme in connection with the drawing loan, which very materially reduced the interest and sinking-fund charges. I am not going to weary honourable members with a statement of the very technical proceeding by which that was done. I will simply read to honourable members one short passage from the Budget of 1894, which explains my position. The Colonial Treasurer said,- " After careful consideration and considerable correspondence, I decided to do away with the charge for interest and sinking fund on bonds which had already been converted, and confine ourselves to making provision only for the bonds remaining in the hands of the public. After this year the charge for interest on the Consols will diminish in proportion as the debt becomes extinguished by the annual drawings ; under the former method it steadily increased year by year. The charge under this loan for year. . interest and sinking fund has been diminished by \$182,957." If you want to make any comparisons of what was the position ten years ago as compared with that to-day, you will add \$182,000 to the sum of \$1,956,963, which is the interest this Mr. G. W. Russell by a stroke of

the pen you will get what the position of the colony is to-day compared with what it was ten years ago. And what must be the effect of this huge increase of the debt ? The effect of it must be that there is a frightful increase of the taxation of the people of the colony. The Budget shows that the increase, so far as Customs revenue is concerned, is £653,655 as compared with 1891. I am going to reduce this to a matter of population, and honourable members will then see exactly what the position is. In 1891 the population of the colony was 626,368, and the Customs revenue was £1,527,207, or a net amount of \$2 8s. 9d. per head. During the year just closed, with a population of 772,504, the Customs revenue has risen to £2,180,862, or \$2 16s. 5d. per head. That is to say, the Treasurer is drawing at the present time 7s. 8d. per head of Customs revenue from every man, woman, and child more than Mr. Ballance did in 1891 : and the result is that the revenue of the colony from Customs sources has increased to the extent of \$296,126 more than the basis of -- Mr. Ballance's revenue from Customs would produce. Let me give honourable members a sample case of what this means. If you take the paper H - 9, " Consumption of Articles in Common Use," and take the case of a man and his wife with a family of five children, what will be the result ? The father would pay on spirits, £1 19s. 10d., and on tobacco, #1 12 - 2d. : 1 the father and mother would pay on wine, -- 2s. 7d. ; on English ale, 1s. 4d. ; on New Zealand beer, 6s. 7d. ; and the whole family would pay on tea, 12s. ; on coffee, 10d. ; on sugar, ■1 8s. 7d. ; and on ad valorem goods, £6 13s. 10d. In other words, that family of father, mother and five children-the children all being under fifteen years of age-would pay to the Customs revenue #12 17s. 9d. a year under the impost at present placed on families in this colony on those articles. The Govern- ment refer in terms of regret to the shrinkage of the birth-rate. I venture to say that were the Government wise in carrying out their duty, their object would be to lessen the bur- \- dens upon the necessities of life, because, after all, in my opinion, the very large shrinkage of the birth rate, and the decline in the marriage rate, are economic questions rather thall social questions; and I believe, therefore, that the policy of the Liberal party in this colony should be by prudent administration, by re- trenchment and economy, to seek to lessen the burdens of the people, and specially to take the burdens off those things that are necessities of life. I have shown that during the last ten vears the Customs revenue has increased £653,000, and upon the basis of Mr. Ballance's revenue in 1891, the taxation from Customs has gone up nearly \$300,000 per year. I say that is not what was expected from the Liberal Go- vernment. In the utterances of Mr. Ballance from which I have goted, he spoke very strongiy of the necessity of this colony being weaned from servile dependence upon the London money-market. He said that borrowing in the

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reliance. Let us see now how far this has been carried out. During the year that has just expired the present Government raised in loan moneys ±1,749,000, made up thus :-- Loan - moneys raised during Financial Year ended 31st March, 1901. For public works 900,000 .. 380,000 Advances to settlers .. Land for settlements 219,000 .. Loans to local bodies 176,000 .. Dairy industry 1,781 Accident insurance 2,000 .. Consols 17,900 .. Sinking fund accretions 52,800 .. Total £1,749,481 .. And, Sir, nearly the whole of this money, excepting what has been taken out of the pockets of the people so far as the savings-bank deposits are concerned, has come from the English money-market; and at the present time this colony is absolutely dependent on the English money-market ; because, if circum- stances should happen so that New Zealand should, from any cause, or from various causes, be unable within the next six months to go on the English money-market and borrow large sums at less than 4 per cent., I tremble at what the position of this colony will be twelve months hence. Now, let us look at the public works expenditure, and how that is mounting up. The last year that the Atkinson Govern- ment were in power-that is, the year ending 31st March, 1891-\$157,000 was spent in public works. John Ballance came into power in 1891 with a mandate from the colony, that he, by the public works expenditure, was to stem the tide of emigration which was going from New Zealand, and by which we were fast losing our population ; and he

did it. How did he do it? He did it with an expenditure during the year ending 31st March, 1892, of \$389,000. That was the amount that Mr. Ballance spent on public works during the year when he was Colonial Treasurer, and ending the 31st March, 1892. Then we go on, and honourable members will be interested in seeing what followed : For the first three years after Mr. Ballance died the expenditure was kept within reasonable bounds. It was in 1893 £472,000, in 1894 \$409,000, in 1895 \$359,000. And now watch how it grows : In the next year, 1897, it was \$411,000, next year £427,000, next year \$864,000, next year \$916,000, next year #964,000, and last year the colony spent on public works £1,307,000. Finally, the Treasurer comes down with his Financial Statement and says the public works estimates this year are £1,950,000. And yet, as I have shown honourable members, the Hon. John Ballance, having received a mandate from the country, came in and saved New Zealand, and turned the tide of prosperity back to our shores, instead of from them, on a public works expenditure of \$389,000. Now, I say that during the current year the Seddon Go- during the year ending 31st March, 1892. I would ask honourable members : do they realise -does the country realise - what an awful state of things is involved in this colony carrying on at this present time as it is with borrowed money ? For what would be our position at the present time if suddenly circumstances were to compel us to stop this drain of borrowed money, and return to the simple forms of Government which were initiated by Mr. Ballance, and which he said were absolutely necessary to be carried out if the colony was to be weaned from a servile dependence of the London market ? The follow- ing shows the public works expenditure from 1889 up to the present :- £

| | | | | | | | | | | |
|---------|-----------|---------|-----------|--------------|---------|---------|-----------|-----------|------------|---------|
| 1889-90 | 214,000 | 427,000 | 1896-97 | 1890-91 | 1897-98 | 157,000 | 864,000 | 1891-92 | 916,000 | 389,000 |
| 1898-99 | 1892-93 | 472,000 | 1899-1900 | 964,000 | 1893-94 | 409,000 | 1900-1901 | 1,307,000 | 1901-1902* | 359,000 |
| 1894-95 | 1,950,000 | 1895-96 | 411,000 | * Estimated. | | | | | | |

I cannot help thinking that the Budget now before the House is not only a record for length and verbosity, but that it is also a record for humbug. It says that there should be "a jealously guarded expenditure," and that "the national expenditure should be cut down to the lowest limit consistent with efficiency." In the year ending the 31st March, 1891, the annual appropriations for departmental expenditure were \$2,014,000 ; on the 31st March, 1895-the Government had been prudent up to that time ; they had held their hands, and the expenditure had only risen consistent with the necessities of the colony's finance and the bare expenditure necessary for the development of the colony- in 1895 the departmental expenditure had increased up to £2,189,000. Then I take a jump from 1895 to 1899-1900. In that year our expenditure rose to £2,854,000; in the follow- ing year it rose to €3,144,000, and during the present year the Government propose an ex- penditure of £3,329,000. These are the annual appropriations, and do not include old-age pensions. This short table indicates the growth of the departmental expenditure :-

| | | | | | | | | |
|---------|-----------|------------|-----------|-----------|-----------|-----------|--------------|-----------|
| 1890-91 | 2,014,000 | 1899-1900 | 2,854,000 | 1,998,000 | 1891-92 | 1900-1901 | 3,144,000 | 2,018,000 |
| 1892-93 | 1893-94 | 1901-1902* | 3,329,000 | 2,147,000 | 2,189,000 | 1894-95 | ' Estimated. | |

I say that down to 1894 and 1895 a reasonable brake had been kept on the expenditure, but since then the colony has gone a "mucker," and we are approaching without any doubt that period in our history when there must be a roar for retrenchment, and when the necessities of our position will be so forced upon us that the colony will be absolutely compelled, whether we like it or not, to go in for such drastic re-

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guarded expenditure," and they call it "reduc. ing the national expenditure to the lowest limit consistent with efficiency." But that is not the only fact : Let honourable members take up the estimates at the present time and they will see that the salary of nearly every high-salaried official is increased. An Hon. MEMBER .- Not that of the Auditor- General. Mr. G. W. RUSSELL .- The salary of the Auditor-General is not an annual appropria- tion; I am dealing with departmental expendi- ture under annual appropriation. Now, let me take Mr. John Ballance's year, because Mr. Ballance's second year of expenditure was less than it was in his first year. Take the year 1891-92 and compare it with the estimated ex- penditure for the

year we are in at the present time. During the year 1891-92 the actual expenditure on the departments of the colony was £1,998,000. The estimated expenditure this year is £3,329,000, an increase in ten years of £1,331,000 in the expenditure on the ordinary departments of the Government of this colony. In his earlier days as Premier Mr. Seddon had those democratic ideas of simplicity which were worthy of him as he then was a Liberal leader. But, unfortunately, he went to England, and got badly bitten with the military craze. Here is the proof of it: The Defence vote for 1895-96 was £68,000, but last year, excluding the cost of the South African contingents, it was £119,000, and this year it is estimated at £183,000, also excluding the South African contingents - as compared with 1895-96, an increased military expenditure this year of £115,000, and this does not include contingent defence. I am one of those who think that, while it is desirable we should have our shores defended, and that our population should be in a state of readiness to meet any emergency that may reasonably be expected to arise; but I protest from my place in this House, as one of the representatives of the people, against the tendency which is showing itself at every turn to create a military caste in this colony. Let any man take the estimates and see how, within the last year or two, the number of permanent military officers has been enormously increased; and I ask, Is this necessary? I do not think it is. We should encourage our Volunteers, and confine the permanent establishment to that small reasonable number of departmental officers that may be necessary at headquarters and in the four centres; and, if we do that, New Zealand will be prepared to meet any foe that might come along. But during the last few years there has been an unreasonable tendency on the part of the Government to raise the military profession to an abnormal and undesirable status. We want to remember that our chief line of defence here is the British navy. I am prepared to vote any reasonable sum that may be necessary to increase the number of warships that surround our shores to keep an invader off; I am prepared to vote for any reasonable Mr G. W. Russell date, and to enable them to have a reasonable amount of ammunition ready in case of emergency. But the very idea of turning numbers of our young men into persons strutting about our streets, wearing swords, and epaulets, and red jackets, fancying themselves a different class or caste in the community, is, to my mind, utterly abhorrent; and I venture to hope the Government will pause before taking any further steps in the direction of making this country more - what shall I say? - something in the nature of a third-class military State of some European empire. We must recognise that we are colonists, and that the nearer the approach to the simplicity of colonial life the more thoroughly we shall be able to work out our destiny. Unless we put our foot, while the country is young, on the tendency towards the military spirit which is so sedulously cultivated at present, there will be a tendency in the course of forty or fifty years towards the country having something in the nature of a standing army; and who is there that does not recognise what a menace to the liberties of the people the existence of anything of that sort may be? I think members will agree with me when I say that, bearing in mind the manner in which the Government have increased the borrowing, have increased the public works expenditure, the military expenditure, the loan expenditure, and the departmental expenditure, I am not far wrong if I say that prudence has been cast to the winds, and the philosophy of the Budget may be summed up in the Epicurean phrase, "Let us eat and drink, for to-morrow we die." Last year the House increased the salaries of Ministers, and increased their number, in order to enable them to transact to better advantage the work of the colony. Yet, I think, if we were to add on to the increase of salaries of Ministers and the increase in their number the cost of the Royal Commissions set up during the year, it would be recognised that a very enormous increase has taken place in administrative expenditure, for I hold that each of these Commissions has been merely doing work and making inquiries that could have been made, and ought to have been made, by a really capable Ministry. We have had, first of all, the Rivers Commission, on which the member for Geraldine has been placed, and for which probably he has received certain emoluments. He has had his reward. We have had the Coal-mines Commission, and I venture to say that the work done by the Coal-mines

Commission ought to have been done by the officers of the Mines Department, and that there was no need what- ever that a Commission should be appointed outside the Mines Department in order to deal with the facts obtained by that Commission. Now I come to the Commission on Federation. and what have we got for that #3,800 of ex- penditure? We provided some dozen or so of gentlemen with a trip through the Austra- lian Colonies-men who reported exactly as we knew they would report before they started.

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and what has the colony got for that ? And, Sir, in connection with that Commission, what do we hear? We hear that the Government, outside of the Disqualification Act, have pledged themselves to increase the pay of members of that Commission over and above the money that is allowed by law; and when the ques- tion was asked a few weeks ago in the House the Premier did not deny it, and said it was intended to bring down an amendment of the Disqualification Act. Then, Sir, there was the question of teachers' salaries, and what did the Government do regarding that? "There was a matter of £8,000 voted by this House last session for teachers' salaries, and the Government kept that expenditure dang- ling in the air, and the Minister of Educa- tion was writing letters to every Education Board in the colony and putting them off, until at last, about the 5th April, when the finan- cial year had closed, the Premier stepped in and settled the whole question, and the money was started to be paid over. What is the posi- tion regarding that? I venture to say that it did not suit the Government to pay that \$8,000 over during the financial year -- they wanted it to increase their surplus-and there- fore that expenditure was kept dangling before the eyes of the Education Board until a few days after the close of the financial year, and then it was paid. And what happened ? Why, another Commission was set up. The Government ap- pear to be so absolutely destitute of adminis- trative initiative and capacity that they refer almost every question of importance to a Royal Commission, and so they set up a Royal Com- mission regarding teachers' salaries. I venture to say that that Commission was set up largely in order that the member for Masterton might be appointed Chairman of it. Everybody in this House knows the restive attitude of that honourable member during last session. Every- body knows that when the Government brought down a Bill dealing with teachers' salaries it was he who called a caucus and led the attack, and went and warned the Government that their proposals would be thrown out. And then, shortly after the session is over, my honourable friend is appointed Chairman of the Commission, and look at the effect. There is no restiveness now ; he is as mild as milk-he has come to heel-and he provides his best style of attack on every man who chooses to open his mouth against the Ministry. The honourable gentleman has been whipped into line, and it has been done by a Royal Commission. Then, Sir, we have had another Commission, and on . that there was my honourable friend the mem- ber for Motueka, who is not here this evening. That I should describe as a Commission long .drawn out. I believe it took some five months to inquire into matters relating to the Midland Railway. Now, Sir, what is the position of that question ? Does any member of this House mean to tell me that New Zealand or England will be satisfied with the report of that Commission, which will cost probably a thou- ture-holders of the Midland Railway is such that I hardly like to characterize it in this House. I feel, as a New Zealand colonist, that the idea of a number of men spending, as we ourselves have shown, between £600,000 and £700,000 in making railways in New Zealand, and then bringing it in that they have no interest in that expenditure and that all their money has been swallowed up, is such that I feel ashamed of it. I venture to say, Sir, that though we may not suppose the London money-market, which is an exceedingly sensi- tive thing, would be likely to boycott our loans and do us an injury, I believe it will be better for this colony to do the righteous thing in connection with the Midland Railway, and to find out not from such a Commission as was set up, consisting of two Government supporters and two or three officials, but from men who have a large world-wide experience, and who are able to judge on such a matter, what the fair value is that New

Zealand has got from the expenditure of those people, and do the honest thing. Sir, I am of opinion that the words of a book that some of us may have read more when we were younger than we do now, that "Righteousness exalteth a nation," are distinctly applicable in such a matter as this, and I feel as ashamed of this country taking over the Midland Railway and not paying a fair value for what it has taken over as I would be if I had had a house built and the unfortunate contractor had put himself within the penal clauses of the contract, and I found myself sitting in a house for which I had not paid a sixpence. That is a fair statement of the position of the colony towards the Midland Railway debenture-holders, and I submit that, whatever may be the sentiments of the Government, especially of the Right Hon. the Premier, public opinion in this country will rise to the occasion and compel the Government to bring down sooner or later some plan by which we can say with a clear conscience that we have not taken one sixpence from the debenture-holders of the Midland Railway for which they have not received full value. I do not say anything on behalf of the company, because the company went into the matter as a business speculation with their eyes wide open, and they lost. But I do say that the debenture-holders who went into the matter understood as business-men that the guarantee of this colony stood behind them, and it was only at a certain point in the history of that great undertaking that they discovered that they and their lawyers and everybody connected with them had been mistaken, and that the overriding power of the Crown in seizing the line wiped out their supposed security for their advances. I say that under those circumstances this country can afford to be honest; and I believe the time will come when, whether this Government do it or not, the people of New Zealand will insist on an honest course being taken in connection with that great undertaking. Now, Sir, I would ask

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so far as we can see at the present time? The labour question dominates the finances of New Zealand. There is at the present time a standing army of 5,627 men employed as labourers on the co-operative works carried on by the State in New Zealand. They are kept going on loan-money, and a large part of the money that is paid to them from the English lender filters back into our Treasury in the shape of Customs duties. Stop the loan-money, and the Seddonian finance would tumble to pieces like a house of cards. Mr. Ballance, as I have stated, turned the tide of adversity into prosperity by an expenditure of \$389,000 a year. It apparently takes \$1,950,000 a year under the Hon. Mr. Seddon to keep things going. Now, let us ask ourselves what would happen if, say, one-half of this army were turned loose. Wool is down: the revenue from that source will be two millions of money less this year than last year, and private expenditure will therefore be restricted by that amount. As I have already said, wool is down to the extent of \$2,000,000 sterling, and the spending-power of the people will therefore be restricted this year to that extent; and if our standing army of co-operative labourers were turned loose to look for work in the open market, or if our public works expenditure were reduced to even the amount that Mr. Ballance considered sufficient—\$389,000 per year—there would be such an "unemployed" difficulty in New Zealand as has never yet occurred. Sir J. G. WARD.—Would you like to see that? Mr. G. W. RUSSELL.—No, I should not; I should be pained to see anything like that brought about, and I will now tell the Government where they have blundered, and what they should have done to prevent such a catastrophe. The Government have not expended sufficient money on settlement side by side with expenditure on public works. They have drawn the genie from the bottle, and he is there standing before them, and they cannot get him back. He is the co-operative labourer. I do not say that the time has passed when the Government could deal with this important question as statesmen, but they have not proved themselves to be statesmen. They have proved themselves to be opportunists; and year after year the expenditure is growing, and it keeps growing, on roadworks and railways, whereas their attention should have been directed to land-settlement. In this way numbers of men now engaged as co-operative labourers should and could have been absorbed. Vacancies would thus have been made in the labour-market, which

would have been filled by men now engaged as co-operative labourers. One of the first planks of the policy of Mr. Ballance was that of settlement upon the land. What did the Government do under the Land for Settlements Act of last year ? Why, Sir, they put only 177 farmers on the land, according to their own showing in the Financial Statement. One hundred and seventy-seven is the total number of farms that were provided under the Land | don money- market, a policy of self-reliance. Mr. G. W. Russell men's homes, as they are not worth looking at from the point of view of land-settlement. In Canterbury and Otago, which I am best acquainted with, the total purchases by the Government last year under the Land for Settlements Act were only £53,000. In a previous speech this session I showed that the expenditure was \$186,000, but if I give the Government credit for their purchases. not for what they paid for, the amount is \$350,000. I would ask, Why have they Lot done more ? They have authority to buy up to \$500,000 every year. The cash paid last year under the Land for Settlements Act was only £186,000 ; whereas, including the unexpended vote of the previous year, they had the right to spend \$630,000. Can you wonder, Sir, that the number and influence of the co-operative labourers keeps on growing, and that we have our constituents urging us to get the Govern- ment to give them work rather than starve + I say, if the Government wish to return to the policy of Mr. Ballance, instead of, as the Premier is everlastingly doing, dancing about in and out of the colony-I say, Sir, instead of the Premier being the Minister in charge of the purchase of lands for settlement, that that department ought to be handed over to the ablest man in their ranks, who should "go the whole hog," so far as the legal powers are con- cerned, in the purchase of lands for settle- ment. An Hon. MEMBER .- Where ? Mr. G. W. RUSSELL .- Everywhere. They ought to go on settling the lands in the North Island. I do not wish land-settlement only in the South. Do the Government mean to say that in Wanganui, Masterton, Wairarapa. and in other electorates, especially Hawke's Bay. there are not great tracts of country suitable for settlement as well as in Canterbury and Otago? What I complain of is that the Canter- bury people have been told all the time that the land-for-settlements policy is a quid pro quo as against public works expenditure in the North. Mr. SYMES .- Rubbish ! Mr. G. W. RUSSELL .- I think the inter- jection of the honourable member for Egmont is excessively insolent and ill-timed. As I have already stated, the Government, by their own showing, spent during the year ended the 31st March last only £53,000 on land for settlements in Canterbury and Otago, and I say, there- fore, that his remark is improper. I 9.30. am quite prepared to meet the honour- able gentleman in fair argument, but when he interjects such a remark as " Rubbish " it simply shows that he does not know what he is talking about. You have rung the bell upon me, Sir, and I will only say, in conclusion, that there are other matters upon which I should like to have spoken before my time was up; but I have shown clearly that what we want is. first of all, to carry out the Liberal policy that has been laid down so far as land for settl- ments is concerned, independence of the Lon-

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our public expenditure. Honourable members may think I have spoken severely. Sir, I have said what is in my mind, and I have supported the position I have taken up by facts and figures. It is for those who hold a contrary opinion to quote facts which controvert the statements I have made. I believe the future of this colony is a great one, but it will only be great in so far as its future is one which combines progress on all important questions together with economy in administration, honesty in our Government, and that large-hearted brotherhood which, I believe, is the foundation of Liberalism everywhere through- out the world. Mr. ELL (Christchurch City) .- Sir, I have listened with a great deal of interest to the speech of the honourable member for Riccarton ; but, while listening to his remarks in respect to the growth of the departmental expenditure, I cannot help calling to mind the clamouring there was last session-although I resisted it and voted against it, and will always do so -- the clamouring on the part of a number of honour- able members in this House for raising the salaries of the different officers in the Govern- ment service. An Hon. MEMBER .- Name ! Mr. ELL .- There is no need to name them. It was said that Magistrates were

not paid enough ; and that the Judges were not paid enough, and then there was the further complaint that sufficient was not being done towards marketing our produce that the farmers were raising in New Zealand. Under that head there is an increased expenditure of £9,000. Then, there were complaints made by a number of honourable members with regard to the Tourist Department. Now that department has been set going, and there is an increase there of about \$9,000. Then we established another department, which was very much needed, though I am very sorry to say it has not borne the fruit the majority of us have expected from it. I refer to the Public Health Department. Certainly it has not been in operation for more than twelve months, but still there is a halting on the part of the heads of that department. We were in hopes that it would have the effect of stimulating the local bodies to greater activity in improving the health of their districts ; but it has not come up to our expectations in that direction, though the setting-up of that department means an increase in the public expenditure of nearly \$7,000. These votes can be defended, no doubt ; but, on the other hand, a very considerable bill is placed before us this session for cablegrams. We cannot get at them. We simply see the huge sum, and we see a considerable increase over last year. I hope we shall have a little light shed upon this particular item in the public expenditure. Then, we have an item-and this is only typical of the ground of my complaint with regard to the departmental expenditure-of £260 for the Review of Reviews. Mr. DEPUTY-SPEAKER .- I must call the honourable gentleman's attention to my ruling to in detail in this debate. Mr. ELL .- It seems to me that there was no need for that expenditure. We spend a lot of money every year in sending away hand-books setting forth the attractiveness of the colony, and there is no need for spending money as is proposed on the Review of Reviews ; while, on the other hand, when a man unfortunately meets with an accident on the railway and loses a limb, or loses his life and leaves a wife and perhaps five or six children, and when the Public Petitions Committee recommend a grant of £100, and that amount is cut down to £50 Sir J. G. WARD .- What case is that ? Mr. ELL .- There was the case of a man who lost an eye, and the Committee recommended a grant of £100, and that was cut down to £50. Sir J. G. WARD .- He was not killed. Mr. ELL .- No; but he lost an eye, and the statement was made that he was half a mile away from the line; but the man in this case was walking along the Hazledean Road, and near the railway-line, when a spark from the engine got into his eye, and it was taken out by a doctor, the doctor giving it as his opinion that that spark was the cause of the man losing his eyesight. The Committee recommended a grant of \$100, and it was cut down to \$50. Yet we have \$260 proposed to be voted for the Review of Reviews, which was not needed, and which the Government were not warranted in authorising, and I shall be prepared to vote for striking that item off when it comes up in the estimates, as a protest against the spending of money in a direction which was not warranted. Then, with regard to the great increases in the public works expenditure-that expenditure has grown enormously, as has been pointed out by the member for Riccarton -- in 1893, during the present administration, £341,337, and for the current year, £1,950,000. And who has asked for the expenditure? All round this House, from year to year, there has never been enough money put down on the estimates to meet the demands of honourable members. It seems to me, with regard to the growth of public works expenditure, that the members of this House should take their full share of the responsibility. It is all very well to say that the Colonial Treasurer is absolutely responsible with regard to the increase of this expenditure; but I say that honourable members should accept their responsibility, seeing that they clamour for increased votes, and complain that the votes are not large enough. And I am only stating what are the actual facts. Then, there is another matter that I have to complain of, and that is the administration of the Lands Department. For years and years on end promises have been made on the platform by member after member, pretty well throughout the length and breadth of New Zealand, that the land-sales would be stopped, and still they are going on. Land has been sold in the immediate neighbourhood of the centres of population. Land is being sold right alongside the main trunk

railway-lines, where

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State were to retain them it would then become possessed of the enhanced value, and the enhanced value would go into the pockets of the people; but while they are being sold for cash the enhanced value goes into the pockets of the speculators who purchase them. In the neighbourhood of Napier the Minister authorised land to be put up to public auction, and the upset price was £160 per acre. At Mangaweka, on the Main Trunk line of railway and the main road through the North Island towards Auckland, he has authorised the putting-up of land there, and the upset price is fixed at £140 per acre. Now, we know how values have grown in the immediate neighbourhood of the main trunk lines of railway and along our main roads. Now, instead of the State parting with these lands, they above all others should be retained by the State, and the enhanced value come into the pockets of the community; but the State is parting with the lands for cash. But the Minister has not followed out that policy, and I venture to say that in that particular again he is departing from the principles laid down by the late Mr. Ballance. And it was the intention of the late Mr. Ballance to stay the sale of Crown lands for cash, and he emphasized that fact over and over again, and that is why his name has been so much revered and so highly spoken of by the Liberals throughout New Zealand. Then, with regard to the Public Works Fund, we have had transfers from the surplus revenue of two millions and a quarter of money. We have had extracted from the pockets of the community through the Customs revenue, by taxing their food, by taxing necessary articles of clothing, by taxing necessary furnishings in the home—we have collected from that source far more revenue than we need have collected, and we have had so much out of that surplus that we have had two millions and a quarter of money to aid the Public Works Fund. That policy I have never approved of. I have always considered it to be absolutely wrong and unjust to the working-classes of this colony that they should be taxed, first on their food, and articles of clothing, and absolute necessities in the shape of furnishings to their homes, and that that should be used towards the cost of constructing the roads, bridges, and railways, which have, no doubt, considerably enhanced the land-values of the colony. I say that the interest upon these moneys which have been expended in constructing our railways and roads is, undoubtedly, a proper and just charge on the land-values of the colony. And in this connection we have been promised for a good many years past the application of the betterment principle, in order that the State shall recoup itself to a certain extent for the expenditure on public works by the enhanced value of the lands which are benefited by the construction of those works, and that that enhanced value should to a certain extent go into the pockets of the community. New South Wales has had this principle in operation for some years, and we ought to have put it into operation. Mr. ELL says. An Hon. MEMBER.—It is too late now. Mr. ELL.—No, it is not too late. Land-values are still on the increase, and they are rising, and at an enormous rate. A remark made by the Hon. the Premier not very long ago was to the effect that, according to the latest returns, they had gone up another six millions. During the last few years land-values have gone up 20 per cent., and yet we get no more land-tax than we did when the land-tax was first put into operation. With regard to the complaint of the honourable member for Bruce that the vote for old-age pensions had increased so enormously, I do not regard that as matter for complaint at all. The country has benefited by it. The money that has been paid out to these old people has not only made their lives more pleasurable to them, but the country has benefited, because a great portion of it has come back to the pockets of the community by being spent amongst them. I do not think we are justified in saying that the system has broken down, or that it has failed to do good, because a few have made an ill use of what has been to the great majority a great source of comfort. We have been told on various occasions, and particularly by the Premier when he spoke at Amberley in the early part of 1900, that the Government had taken the duty off cotton goods, and to that extent had benefited the poor man. They have done nothing of the sort, because they are collecting more money out of the poor man now

than at the time the tariff was altered. In 1896 the value of cotton piece-goods coming in free of duty-the commonest kind of cotton goods in use by the poor people-into the country amounted to £210,000, and in 1900 it still amounted to £210,000. The lesson is this : that they have come into the country in increased quantity, but, instead of coming in duty-free, they have come in charged with 10 or 20 per cent. duty. The effect of the alteration of the tariff has been that, instead of the people paying less on cotton goods, they are paying considerably more. If any honourable member will take the trouble to go into any of the warehouses he will see there bales and bales of stuff that used to come in free now paying 10 or 20 per cent. duty. A great deal still requires to be done with regard to Customs taxation, and I am entirely in accord with the honourable member for Riccarton that we are taking too much from this source. There is still 30 per cent. on sugar, 25 per cent. on raisins, 25 per cent. on sultanas, 60 per cent. on currants, 50 per cent. on figs, 100 per cent. on dates, 50 per cent. on preserved ginger, and from 10 to 20 per cent. a valorem on cotton piece-goods. Then, cutn-terpanes, which are a necessary furnishing for every decent working-man's home, are 20 per cent. ad valorem ; handkerchiefs 20 per cent. : oilcloths, which are the covering of a poor man's floor, for only rich men can go in for carpets. are charged 20 per cent. ; cutlery is charged 20 per cent., and numerous other items I can

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tured in the country successfully. This amounts almost entirely to a revenue tariff; it is certainly not protective in any sense. And yet we are allowing the land-values of this country, which have gone up to such an enormous extent, to get off without paying a fair share of taxation. If members will turn to the amount of the land-tax in 1893 they will find it amounted to £297,181, and in 1901 it amounted to \$294,583-£2,598 less than in 1893. That, Sir, is what we are getting out of the land-values, although they have gone up nearly 20 per cent. This is due, of course, in some measure at least, to the fact that estates have been subdivided. That is one reason. Another is that the Government, in the advances to settlers, escape paying the mortgage-tax. Now, with regard to the dispute as to whether the Premier is responsible for the mild panic which spread over the colony, there is no doubt, if the newspaper report is correct, that he started it ; but that has been pretty well threshed out by the member for Hawke's Bay, the member for Bruce, and the member for Riccarton, and no good purpose is to be served in considering the point any further. I now wish to refer to a social question. The member for Auckland City a short time ago referred to the fact, in answer to some remarks I made, that drunkenness is not on the increase in New Zealand. It seems to me, while we are dealing with the economic side of the questions in this country, the Legislature and the Ministry have a duty with respect to the social life of the people. If members will turn to the Police Commissioner's report of last year they will read these remarks :- "The increase in the number of charges of drunkenness during the year has far exceeded that of any previous year, so far as the records show. The total during the year was 6,289, being 757 over the figures of 1898." Then, again, it goes on to say :- "This large increase in Auckland is, in my opinion, largely due to the increased efforts of the Auckland police, under Inspector Cullen, to more expeditiously remove drunken persons from the streets than was formerly the case, and to the fact that during the whole of 1899 the closing-time of licensed houses in Auckland was eleven o'clock p.m. instead of ten p.m." And yet in the face of this report that drunkenness was increased by increasing the hours of sale, the Premier has the audacity to suggest that the hour of closing for the whole colony shall be fixed at eleven o'clock. Mr. HANAN .- And reduce the penalties. Mr. ELL .- And reduce the penalty, as the honourable member for Invercargill states, in order to encourage drunkenness. There is no other term for it. Now, the Commissioner does not repeat his remarks respecting the effect of drunkenness in this year's report, but, however, they are applicable to this year, namely :- "Drunkenness is always reflected in the number of such offences as manslaughter, abusive and threatening language, breaches of decent exposure and behaviour, obscene and profane language, and obstructing and resisting the police. The net increase under the foregoing heads is 288."

Now, here we have the opinion of the Commissioner that some of the worst features of our criminal record, that some of the worst crimes that disgrace New Zealand, are attributable directly to drunkenness, and yet we have the Hon. the Premier suggesting to introduce legislation that will give further privileges to a trade which is working these terrible results upon a young country like this, and amongst the people of a young country like this. The Commissioner, in his report for the present year, states :- " During the year the number of charges of drunkenness was 7,299, being an increase of 1,010 on the figures of the preceding year. This increase far exceeds that of any previous year so far as the records show." Here we have again the report of the Commissioner that drunkenness is still on the increase. Now, with regard to the drink bill of New Zealand, this bill has been prepared by Mr. C. M. Gray, one of the oldest Justices of the Peace, and one of the most respected citizens of Christchurch, and a man who has been Mayor on several occasions. Mr. Gray has prepared the drink bill for a number of years past. The drink bill for the 31st March last is as follows :- Gallons. 555,772, at 40s., 1,111,544 Spirits Wines 116,703, at 40s., 233,406 .. Ales 52,617 175,390, at 6s., Colonial beer .. 6,773,520, at 4s., 1,354,704 7,621,385 £2,752,271 This gives an average for the year of £3 7s. 6d. per head. Now, in 1896 it was \$2 17s. 2d. ; in 1897, £3 1s. ; in 1898, £3 2s. 4d. ; in 1899, £3 3s. 1d. ; in 1900, £3 5s. 10d. ; in 1901, £3 7s. 6d. : so this will show that the drink bill per head of the people is going up at an alarming rate. An Hon. MEMBER .- It is our prosperity. Mr. ELL .- Yes, Sir; but it has its effects, and, instead of granting facilities for the sale of drink, the lesson is this: that it is the duty of the Legislature and the duty of the Government to assist by every means in their power in checking the sale of liquor amongst the people, seeing it has such terrible results, as shown by the police reports. Mr. FISHER .- The reports published in the Appendices to the Journals last year show that the consumption has gone down. Mr. ELL .- The honourable member can speak after I have done. Sir, a kindred subject to the one that has been so fully dealt 10.30. with and so fully commented upon by honourable members is that of the enormous increase of our public debt, and the enormous increase of the interest charges upon that debt. One-third of the total amount of our revenue has now to be taken every year to pay interest to the foreign bondholder. It seems to me

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attention of members of the House. A question that involves so much expenditure and that necessitates the collecting of so much revenue is one that should certainly engage our serious attention, so that we may see if we cannot devise some means to check the further growth, and to do something in the direction of reducing the great public debt which now rests on the tax-payers of the colony. Mr. R. THOMPSON .- How will you do it ? Mr. ELL .- The member for Marsden wants to know how we are to reduce it. Well, the best way to reduce it is to endeavour to pay some of it off, and to check the further increase we should borrow less from the foreign bondholder. Then, Sir, there is a matter that has on various occasions in years past engaged the attention of the House-I refer to the question of the currency. Hon. MEMBERS .- Oh! Mr. ELL .- It is a matter that seems to excite some of the members of this House. Whenever any one mentions the currency it brings a smile on their faces, and directly any one mentions the word "currency " the expression comes from the lips of members, "Oh, you only want a bale of paper and a printing-press." I have been charged by certain honourable members, who have not taken the trouble to listen to what I have said but have simply jumped at conclusions, that I have been advocating the purchase by the State of a bale of paper and a printing-press, and rolling off notes for distribution amongst the people. I have suggested nothing of the sort, but what I have suggested is that the State should adopt the same methods of creating credit as banks have adopted. Now, Sir, with regard to the State controlling the currency, I desire to say that, prior to the year 1666, the State had absolute control of the currency, and issued all the currency to the people A clause was then inserted in one of the laws giving private people the power of taking their gold to the Mint for the purpose of having it minted, and

from that date up to the present time the currency has practically been under the control of the banking institutions of the English-speaking world. Now, how have they used that power? It has been said that the State is not a proper authority to have absolute control of the currency, and that, if the State were to get this, terrible disasters would result. If honourable members will refer to "The History of Monetary Systems," by Alexander Delmar, who is regarded as one of the greatest authorities on currency and on banking, they will see in Appendix B a list of suspensions and failures of banks covering eight or nine pages of closely printed matter of failures that have occurred since the establishment of private coinage, and since private control of the currency was allowed. Now, we have instances on record, not only in the Old Country, where the State has frequently had to come to the assistance of banks to enable them to carry on their functions to prevent disasters taking place, but in Australia also Mr. Ell of the banks. We know the history of our own colony in the case of the Bank of New Zealand; and also the savings-bank at Auckland, which there is on record a resolution of the directors of that bank. Mr. MASSEY.- It was not the Post-Office Savings-Bank. Mr. ELL.- No; it was a private savings-bank; and we find that the directors thanked the Government for coming to their assistance in helping to tide them over a difficult period. I am sorry that the honourable member for Wakatipu is not in his place, for he has stated that the banks cannot create credit. I am now about to quote from McLeod on "Banking." He is a recognised authority on the customs of bankers. On page 128 of the first volume he says,- "He reaps exactly the same profit by creating a credit in favour of his customer as if he gave him the actual cash,"-he is now referring to what a banker may do in his banking parlour, whether to a State, a Municipality, or a merchant-and the cheques drawn against these credits so created by the banker circulate commodities exactly in the same manner as bank-notes do, which circulate commodities exactly in the same manner that gold and silver money does. Consequently, these credits so created by the banker are currency or circulating medium. From this it manifestly follows that banking credit is banking capital." We have the testimony from Delmar showing the injuries that have resulted from handing over the control of the currency to private bankers, and we have the authority of one of the greatest writers and authorities that the bankers can create credit, and that they do so. Now, what does McLeod say? On page 136 he says, with regard to the benefits that have resulted from creating credit by bankers,- "Now, suppose a farmer is known to be active, skilful, and industrious, and obtains a farm upon lease, which is capable of great improvement. He goes to the bank, and, upon the security of his lease and some friends, who become bound for him, the bank grants him a cash credit. With this advance-pure credit- he reclaims the land, employs the people, reaps the harvest, and, when that is gathered, pays back the loan. It was in this manner that that prodigious progress in agriculture was made in Scotland. There were immense quantities of reclaimable land and abundance of unemployed people, but no capital or money to set their industry in motion. Seeing this state of matters, the Edinburgh banks opened branches in numerous parts of the country, and sent down boxes full of one-pound notes, and granted cash credits to the farmers. The farmers made their purchases and paid wages with them; and the enormous tracts of barren land were changed into fertile cornfields. Now, these one-pound notes were not a substitute for any specie: they did not supersede or displace any previously existing money; they were a pure addition to the existing money; and, seeing all this, what are we to say of the doctrines

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of money can be of any use to a country, and that to issue paper in excess of specie is robbery?" That is a distinct answer to the statement made by honourable members that it is dangerous to create credit without a certain proportion of specie at the back of it. If we limited the amount of our currency in this country to, say, 75 per cent. of notes to every 25 per cent. of gold, it would stop progress in every direction. We do not carry on the business of this country by simply one-pound notes and the silver and gold we have got here. The progress of this country has been helped along by the credit created by bankers; it

is by credit that we have practically constructed our public works and carry on nearly all the different institutions and industries in New Zealand. Now, to show that there is another real danger with regard to this control of the currency by the bankers, I will refer members to a speech made by the late Mr. Ballance. When in Supply on the 4th September, 1885, Mr. Ballance said, --- "There was a fear on the part of the banks that, in the case of a cruiser coming to one of these ports, there would be a run on the banks, and there was a threat made that, unless something was done to protect the ports, a large portion of the bullion held against the note-issue would be sent over to Melbourne ; and no doubt that threat would have been carried out if the Government had not taken steps to have the ports fortified." There is a pretty position for the currency of the country to be in-the Premier stating that unless the country was prepared to thoroughly fortify the ports and spend money #cc-zero in that direction they would ruin the currency of the country by shipping the gold that was at the back of it out of New Zealand ; and that is the position we are in at this present day. It seems to me that it is a question that should engage our attention-that we should have our currency on a more secure footing than we have at present. The banks have no right to be in the position to threaten to ship the gold out of the country, or to do anything to dis-locate the currency, thereby injuring the whole country. Now, with respect to this question, I may say that a proposition was made by Mr. Verrall, a member of this House in 1890, in favour of the State assuming sole control of the currency, and on that division I find the names of Mr. Ballance, Mr. Duncan, and Mr. Hall-Jones as having voted for it. Mr. HALL-JONES .- What was that on ? Mr. ELL. -- There is no necessity for the honourable gentleman to think lightly of the vote which he gave on that occasion, because it was a vote which, I venture to say, goes in a very proper direction. In addition to that, in regard to the State assuming the whole control of the currency, we have the Hon. Mr. Ward stating in 1899 that, in his opinion, it was only right that the State should take control of the currency and the issue of notes from the Treasury in Wellington, and we have the Premier also VOL. CXVII .- 44. we have Ricardo stating that he considered that the State should assume the sole responsibility of the issue of notes, and Mr. Gladstone has also given his opinion in the same direction, and a number of others whom I could mention. I do not ask that the State should not have gold behind the notes. They could have the gold, and carry on banking in the same way that bankers do. That could be done easily by the Government, and we should then have our currency on a far more secure footing than we have it now. We have in deposits, which are at call in the banks and the Post-Office Savings-Bank, a sum nearly equal to thirteen millions of money, and yet we have only two millions of gold in the country. Supposing there was a run, could these demands be met ? Obviously they could not be met. Yet it is said you must have gold behind the notes ; but the fact of the matter is this : that the currency of this country simply circulates on the confidence of the community, and not really on the gold basis, and without confidence our currency could not hold out for a day. To give an illustration, as showing what has been done for the bankers in New Zealand at present, from 1895 to 1900 the Government have paid to the Bank of New Zealand interest to the amount of \$206,785 on Treasury bills. They have simply created credit on the note of hand of the Colonial Treasurer, and they have charged the Government of New Zealand \$206,785 for creating that credit. What I say is this : that if the Manager of the Bank of New Zealand, in his parlour, on simply a note of hand from the Colonial Treasurer, can create credit to this extent, and then charge the Government interest on that credit, then I say that the manager of a State bank could do the same and save the country that interest. There would be more security behind a State bank than behind the private banks. Then, we had the statement from the Minister in charge of the Advances to Settlers Department, and from the Premier, that the Bank of New Zealand have advanced the Government \$239,000 during the last financial year, simply on their note of hand ; that is, the bank created this credit in favour of the Government, and the Government have simply operated on it by means of cheques in the ordinary way. Now, Sir, if honourable members are so very anxious to reduce the interest charges, then the best thing

that they can do is to give the Government all the moral support they can to induce them to establish a State bank of issue, which will put our currency on a more secure footing, which will advance credits to the Government and credits to the local bodies. This is a work which is carried on by banks in other countries. The Bank of Scotland, which has a Royal charter, the Bank of England, which has a Royal charter, and the Bank of Ireland, which has a Royal charter, are all to a certain extent State banks, and they advance credits in favour of the British Government. In Sweden they have had for many years a State bank, but that belongs absolutely to the State. The directors are elected for three years. It is a bank of de-

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the note-issue is on a gold basis. In Belgium there is a bank of issue, which has been in existence since 1850. It is a State bank for public and private business, and the paper there is issued on a gold basis. In Austro-Hungary, the issue there is under State control, and the State shares in the profits of the bank. The notes are issued there on a gold basis. In Norway they have two State banks, and they also issue on a gold basis. I might enumerate a number of other countries in which the State has a direct control over the currency with regard to the issue of notes and shares in the profits which the bank makes out of the community. And in this connection, in addition to showing the great advantages and the great profits which arise out of banking, and seeing that the Government policy has been to establish State fire insurance, so that the charges for fire insurance might be reduced to the community, it seems to me that a monopoly of this character should not have the control of our currency, and be able to create loans in favour of the Government; and that means the earning of an enormous amount of money, and I hold that it is a monopoly that the Government of New Zealand should tackle. I firmly believe, if a vote were taken of the electors of New Zealand, there would be an overwhelming majority in favour of the State having the right to issue the notes, and in favour of the State establishing a State bank. At the time of the declaring of a dividend for the April quarter the banks had in reserve profits nearly three millions and a quarter, and the amount of the dividend for the four banks 32106019788246 -of course, the Bank of New Zealand did not pay a dividend amounted to \$242,500. This will give an idea as to the very profitable character of this business. Now, Sir, with regard to the way the banks act with regard to the currency, if honourable members will take a bank-note from their pockets -- I am sure there are still some in this Chamber-on examination they will find on some of them " We promise to pay on demand here." That is dated Auckland. On others they will see " We promise to pay here . Wellington " ; and on others we find " We promise to pay," without any locality being named. That latter note can be cashed anywhere. But suppose a man at the Bluff had ten Bank of New Zealand notes, or notes of any other bank, and they were dated from Auckland, and he goes to the bank and wants those notes cashed. If the bankers are in any difficulties with regard to gold in that particular bank, or if the bank is in any straits with regard to redeeming its notes, it may absolutely refuse to cash any one of those notes. That is the position our currency is in, and I say this House has no right to leave the currency in that position -- that private trading institutions can, if they do not conduct their businesses in a careful way, depreciate the currency of this country. And they can do it as things are at present. If notes are dated from Auckland (Mr. ELL). I believe the honourable and are presented at the Bluff, what right have we to give the bank the power of saying, " You must take those notes or post them to Auckland-interests of the country in which he lives. We Mr. ELL I say we have no right whatever; and, Sir, I make no apology for pressing my opinion on this question under the notice of this honourable House, and I make no apology to honourable members who have twitted me with having State bank on the brain. It is a question that will have to be faced by this House in the near future, and, if the House rises to the interest of the trading community, it must take steps in the immediate future to have a stronger grip of the currency of the country; and, in addition to that, it must take power to create credit in favour of itself, and that can be done by a State bank. It was

done by the Belgian Government. When the Belgian Government started the construction of their railways it had only a small surplus in hand. But they had a State bank. There is no necessity for flooding the country with paper money. You want to adopt the same practice as the banks themselves. The Belgian bank simply created credit in favour of the Belgian Government, and the Belgian Government operated on that credit in the same way that the Advances to Settlers Department operated on the \$230.0 *) credit that the Bank of New Zealand created in favour of that department ; and all that I am asking is that the State shall establish a State bank under proper safeguards, which would then be able to create credit in the same way and just as readily as the Bank of New Zealand created credit in favour of the Government. To give you an idea that our currency 11.0. is not all it should be now, I went to the Bank of New Zealand to cash my cheque last month. I asked for eighteen sovereigns and two in silver, and I was refused it over the counter. And the late Hon. Mr. Bathgate gives another case, in which he presented a pound-note to a bank, and they said they could not cash it. If it is only in isolated cases like this it would not disturb the position of the country. but if a number took place a panic might arise. As I have shown, we have thirteen millions at call in the Post Office Savings-Bank and the private banks, and only two millions of gold in the country, and if a panic were to start it might bring about a disastrous result, unless the Government assumed the responsibility and declared the notes of the banks legal tender. I do hope that this matter will receive very careful and serious attention of the members of this House in the very near future. So far as I am concerned. I do not intend to leave the matter alone, and I am prepared to co-operate with members to bring about what I consider a very desirable change in the condition of our currency, and our method of creating credit to carry on public works and other institutions in New Zealand. Mr. LAWRY (Parnell) .- I do not suppose there is any member of the House who does not ; realise the earnestness and honesty of purpose ! of the honourable member who has just eat gentleman is fired with patriotism. I believe he desires earnestly to advance the best in-

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represented a district in Canterbury has fallen upon the honourable gentleman. I refer to Mr. Verrall, who, in season and out of season, advocated a State bank in this colony. But it will be a very long time before the country realises, if ever it does, that there is a necessity for a paper currency in New Zealand. I understood the honourable gentleman was going to move an amendment in favour of establishing a State bank. Why did he not have the courage of his opinions in that respect ? Mr. ELL .- I gave notice that I would move it, but I did not have time to do so. Mr. LAWRY .- Then, it was the honourable gentleman's misfortune, and not his fault. did not intend to speak to-night until I heard the speech of the honourable member for Ric- carton, a speech more full of fallacies than any I have ever heard in this House. The honourable gentleman does not understand even the kindergarten system of politics in this country. He has no knowledge of the Customs duties in this colony. Does he not realise this great fact that the Customs duties in the colony are in the main voluntary ? He said that the Customs duty per head had been rising gradually. Does the honourable member not know that the Customs duties of this country could not be increased in volume unless the people had the spending-power to enable them to expend their money on dutiable goods which they purchase? The honourable gentleman said that the Customs duties of this colony was so much per head of the population. There never was a greater fallacy uttered in this House or in any Parliament of the British dominions, because I know for a fact there are people who give great banquets in this country, and who pay more money in one night in the matter of Customs duties than the honourable gentleman pays in the whole twelve months. Take myself, Sir ; I smoke cigarettes. Is there . anything on the face of the earth to compel me to pay duty on the cigarettes that I may buy? It was seldom that I ever agreed with our Chief Justice, Sir Robert Stout, when he was in this House, but in reference to this particular question he pointed out to the House and the country that the country settler need scarcely pay any Customs duty at all. He said here on one occasion that he could

grow his own sheep, and eat his own mutton ; he could hive his own bees, and eat his own honey ; he could grow his own pigs. and eat his own bacon ; he could rear his own hens, and eat eggs produced on his farm. Sir, the honourable gentleman's lecture to members of this House, from start to finish, was in the worst taste I ever heard, and I hope never to hear again anything in comparison with his speech on the floor of this House. What position does the honourable gentleman occupy in this House? He only represents one man -- a majority of one, and yet the honourable gentleman presumes to rise in this House and lecture men who knew all about politics in this country when the honourable gentleman was in a somewhat different and the present time. I would like the honourable gentleman to tell me who trusts him in this House. Mr. G. W. RUSSELL .- You do. Mr. LAWRY. - Do I? I believe, Sir, that if an immense pressure was brought to bear on the honourable gentleman by this House and by the country, that under that intense pressure the honourable gentleman could be induced to occupy a seat on these Ministerial benches. But there never will be any pressure. Sir, we have heard to-night the greatest "flapdoodle" I have ever heard uttered in this House. Does not the honourable gentleman know that the financial position of a country is correctly gauged by the amount of money that is paid in to its banking account, and the amount of money expended through the Government bank ? During the whole course of the honourable gentleman's speech he wanted to make the House first, and the country afterwards, believe that we were expending millions of money every year, and that we had nothing to represent that expenditure. Did not the honourable gentleman know, when he spoke about the number of men employed on the co-operative works, that they were getting so much per day-that every man is virtually a contractor ; and would the honourable gentleman insult these men by saying they are not earning the wages they are paid by the State ? Does the honourable gentleman not know that every man employed on the co-operative works is creating an asset for the State commensurate with the wages that the State pays him ? Will the honourable gentleman deny that ? Sir, it appears to me it does not matter how much money we borrow and expend if we have an asset to represent the expenditure. I would like the honourable member to understand this: if we expend it judiciously we provide an asset to represent it. The honourable gentleman referred to the fact that only a small amount of money has been expended on land for settlements in Otago and Canterbury. Why is that so ? Because of the honourable gentleman's opposition. What did the honourable gentleman do the other night ? When we had a fight to give the Government power to obtain money to secure land for settlement in Otago and Canterbury, the honourable gentleman denounced the whole proposal, and when the division-bell rang, where was he? He was like Moses when the candle went out -- he was in the dark entirely, hidden away in some obscure corner ; yet the honourable gentleman stands up in this House and presumes to lecture the Government for not having spent sufficient money in Canterbury and Otago to secure land for settlements. Does the honourable gentleman admit that? The honourable gentleman will admit nothing that does not emanate from himself; and what emanates from himself is not worth a moment's consideration. Then we come to the quasi-leader of the Opposition, the member for Bruce. The member for Riccarton said the speech of the honourable member for Bruce would be con-

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what intelligent elector in the country would take any notice of the speech of the member for Bruce. I remember well when we brought down the first proposal in this House to borrow money to advance to settlers, the honourable member for Bruce said the country would be involved in debt, and that the settlers would never be able to pay the interest. Sir, he denounced the scheme from the base to the apex : but what has been the result ? The result has been a triumph of a policy that is worthy of any Government on the face of God's earth. Then, Sir, we remember that when we were fighting for the abolition of that iniquitous tax - the most iniquitous ever exacted on the face of the earth -the property-tax, the member for Bruce, who is the acting De Wet of the Parliament, leading a disbanded party in a

guerrilla political warfare, stood up on the floor of the House and said-or his party said so, which amounts to the same thing-that interest on money would rise, that none but the highest class of securities would be accepted, that agricultural industries would languish, and, in effect, that the country would rush headlong to financial destruction. Who will trust the utterance or the opinions of an aspirant to Ministerial honours whose predictions have been so completely falsified by practical results ? Mr. G. W. RUSSELL .- To what party did you belong then ? Mr. LAWRY .- I belonged to the party of progress and the party of liberty, as I do now, and I am now going to make my last protest against such interjections and insinuations as the honourable member for Riccarton is in the habit of making. I hope that he will have sufficient intelligence to understand the courtesies associated with this House as they obtained when I first entered it, and the position honourable members occupied in this House. When I was first returned I was opposed by the whole force and strength of the Atkinson Government, and the whole force and strength of the Bank of New Zealand ; and if the honourable member knows anything at all about the matter he would know that what I am now stating is an absolute fact. Mr. G. W. RUSSELL .- You were returned as a Conservative. Mr. LAWRY .- Well, Sir, I do not see much use of presence of mind when the honourable member for Riccarton can make a statement like that, which is not based on the highest principles of truth. When I was first returned I was opposed by the whole strength of the Atkinson party of Auckland, as exemplified by the fact that Mr. W. F. Buckland was my opponent, and he was one of the strongest supporters the Atkinson Government ever had. My policy was that I would support that party which was prepared to bring down a measure abolishing the property-tax, and substituting in its place a tax on land and income. When I came here, what did I find ? I appealed to the greatest statesman that New Zealand has ever seen. Sir George Grey. He said to me, " Lawry, we have an element on the Opposition Mr. Lawry have on the Opposition side three or four squatters, and if the Opposition were to bring in a measure to abolish the property-tax and substitute in lieu thereof a tax on land and income, we would have those squatters against us, and we would not be able to carry our measures "; and he added, " The best thing we can do in the meantime is to support the Administration formed by Major Atkinson." I am not quoting the honourable member for Riccarton, but I am quoting the words of a statesman. Sir, if the late Mr. Ballance had taken my advice upon that occasion he would have turned the Atkinson Government out of power; and, instead of being in office in 1891, he would have been in office in 1887. Mr. G. W. RUSSELL .- The Stout-Vogel Government were in office then. Mr. LAWRY .- In 1887 the Stout-Vogel Government were defeated at the polls, and the Atkinson Government came into power, and because I could not get what I wanted from the Opposition, except on the lines indicated. I had no alternative but to support the administration of the Atkinson Government ; but from the very start I told Sir Harry Atkinson that if ever a motion was brought down with the purpose of abolishing the property-tax I would leave the party which I had conditionally joined, and I would support any Administration that would do what I believed to be in the best interests of the country. At that time Mr. Ballance could not do what he desired, for the reasons that I have already given. Now, Sir, dealing with the honourable member for Riccarton in the way I have referred to, the honourable gentleman is using a stilet to kill a mosquito. The honourable gentleman has fluency of speech ; he has the ability to clothe very small thoughts in suitable words. What effect have they upon the country ? We know what the honourable gentleman has done in the past. We know that when he was in Parliament on a previous occasion the honourable gentleman made a political track such as an unskilful ploughman would make upon a piece of fallow with his plough, or an amateur on a bicycle. He wobbled from one side to the other, and the result was, when the election came the honourable gentleman was relegated to private life, a position, judging by his speech to-day, to which the honourable gentleman should be relegated at the next general election, and meritoriously remain there as long as he lives. Take the speech of the honourable member for Bruce to-night ; take the speech of the honourable member for Riccarton. If New Zealand, or if the Old Country, attached any importance

to the speeches made by those two honourable gentlemen, what would the effect be? The effect would be to drag upon New Zealand a calamity which every loyal subject would feel it his duty to do his very best to avert. What would be the effect if a fisherman, who went down to the wharf for the purpose of making his living, caught a bundle of fish, and

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these fish for sale, but these fish are stinking"? Every person he met would believe that he was telling the truth, and that the fish were absolutely stinking. Does the honourable gentleman want to destroy the credit of this country? If he does, and if this country and the financial institutions of the world believed what the honourable gentleman stated, the effect must be to destroy our national credit. But, fortunately for the country, fortunately for our credit, and unfortunately for the honourable gentleman's reputation, there is not a man in the House or the country, old or new, that will attach the slightest importance to the honourable gentleman's utterances. It makes one sick when we realise that an honourable member who has been returned here by one vote should stand up and criticize a Government under whose influence, and under whose influence alone, he could have entered this Chamber. I think it is rather unfortunate, Sir, that I never make any preparation before I speak. If I had prepared a speech I would or could have applied the political lash to the honourable gentleman I have referred to. Sir, we have had before this House during the present session a number of petitions relative to the question of licensing the sale of alcoholic liquor in the King-country. I should like to place this matter fairly before the House and the country. It has been stated very frequently that at the time when the first sod of the railway was turned there was a stipulation made between the Natives and the then Premier, Sir Robert Stout, that alcoholic liquor was to be prohibited, and should not be introduced into the King-country. I was present on that occasion, and I declare that no such stipulation was ever made publicly. I represented at that time one of the leading journals of the colony. It was my duty to faithfully report everything that transpired at that time. I say that Sir Robert Stout, the present Chief Justice, in making a statement of that nature has misled the public; because, if the arrangement was made, it was a private matter between himself and the leading chiefs of the King-country, or I was misled. I have the honour and the privilege of being well acquainted with the whole of the Native chiefs of the King-country, and I know very well that just after the first sod of that railway was turned a petition was sent throughout the King-country, and it was signed by nearly all the leading chiefs, asking the Government to take steps by enactment to prohibit the sale of alcoholic liquor in the King-country. But what do the Prohibitionists forget? They forget that there was a much more important matter attached to that petition: it was, that there should be no sale of land in the King-country. That was the principal request in that petition. The Prohibitionists have railed against the Government because they have not brought in section 33 of the Alcoholic Liquors Sale Control Act in that district, forgetting that that section could not possibly apply to the King-country. That section can only apply to a district where there are a lot of political teemed friend the honourable member for the Clutha, where a vote has been taken. I think any district that would by a majority of votes carry prohibition ought to be disfranchised. Of course, that is merely a personal opinion. The Prohibitionists have declaimed against the Government, because, as they allege, they have not enforced the Act which was obtained surreptitiously; but, I ask, has any Prohibitionist ever stood by the principle contained in that petition—namely, the non-selling of land in that district? I would like to point out that last year a Committee sat for seven or eight days, and took evidence on the question as to whether the prayer of the petition for the sale of liquor in the King-country should be given effect to. I would like to point out to the member for Mataura, who is one of the most fair-minded men in this House, who was once a Prohibitionist, but who has seen the error of his ways, and who now believes in the liberty of the subject—I would ask him what did the petitioners ask for? Did they not ask that the people of the King-country should have the same power and privilege as the people possess in the District of Clutha? What do we find? We find that

one of the strongest Prohibitionists in Auckland, Mr. T. B. Hill, declared (as reported in a Taranaki paper) at a picnic at Raglan that he regretted exceedingly the action he had taken in going round and obtaining signatures to stop the legitimate sale of alcoholic liquor in the King-country. And what do we find further in connection with this matter ? I am very sorry that the Chairman of the A to L Public Petitions Committee is not in his place, for after these petitions were referred to our Committee on my own suggestion, the Chairman of the Public Petitions Committee moved a resolution that we should invite the Rev. Mr. Isitt to give evidence before that Committee, and that he should have the power to summon any witness that he required. The Rev. Mr. Isitt forgot to mention before that Committee the admirable and eloquent speech made in the House upon the question by one man who knows more about it than Mr. Isitt will ever know, if he lives to be as old as Methuselah. I refer to the honourable member for Napier (Mr. A. L. D. Fraser). We gave the Rev. Mr. Isitt not latitude, but license. down his witness from the Waikato-the one I refer to is Mr. W. J. Ellis, a Justice of the Peace in the King-country. Mr. Ellis gave his evidence, and then at the end of his evidence Mr. Isitt followed, and, speaking on the question, said that he had information that there was, in consequence of the sale of alcoholic liquor in the King-country, sly-grog selling, and there were few virtuous women in the whole country. He had forgotten that Mr. Ellis had married a half-caste lady, born in the King-country, and who was an honour to her sex; and I shall never forget, so long as I live, the denunciation poured on Mr. Isitt's head by the very witness he had brought down to support his own case. Then, Sir, the Rev.

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Mr. Isitt, who I believe by his misrepresentations disgraces the cloth he wears-and I will tell him so if I meet him-delivered an address at Taranaki. He said, in effect, that he could not expect to get fair-play from the Committee, because there was only one Prohibitionist upon it-namely, Mr. Thomson, the member for the Clutha. Sir, I could have got the reverend gentleman before the bar of this House for a breach of privilege. We sent the reverend gentleman down a report of his evidence for correction ; but the reverend gentleman altered every single one of the questions of my cross-examination of him to fit in with his replies. I need not say anything more about this question excepting that Wahanui, the great Maori chief, told me that he had made a huge mistake when he approached the Stout-Vogel Government and asked them to keep licensed houses out of the King-country. I saw the greater chief Rewi just before he died, and he told me the same thing. I saw just before I came down here one of the most intelligent men associated with the Maori race - Mr. Arthur Ormsby. He told me he hawked a petition all around the King-country with a view of getting signatures for prohibition. He said, "I have since gone round and interviewed the whole of the Natives, and what the Natives really want at the present time, and what the Europeans in the King-country want, is to be enabled by vote, as they did at Clutha, to decide whether they should have licensed houses in the King-country or not." I think we all know that a great American has recently been through New Zealand, a gentleman who contested with Mr. McKinley the position of President of the great democracy of America. I mean Mr. Woolley. Mr. TANNER .- Nothing of the kind. Mr. LAWRY .- Who did he contest it against ? Mr. TANNER .- He never was fairly in the contest. Mr. LAWRY .- Then, I have less respect for his friends than I had before, for they said he did. But, Sir, a lot of fanatics in Auckland gave this gentleman a breakfast. At that breakfast he is reported in the New Zealand Herald -- which never makes a mistake, one of the greatest journals of the world, a journal that abused me and others into Parliament, a journal that helped to put those honourable gentlemen on the Government benches with a stronger support than can be claimed by any other Government in the British dominions -- this journal said that Mr. Woolley stated at that breakfast that he was proud to know-1 am speaking from memory -- that there was an affinity between the two great races in this country. the aboriginals and the European settlers, and that he was very proud to know or realise that he had come to New Zealand many years after the time the Maoris had baked missionary for breakfast. I hope, before this

gentleman leaves the colony, he will correct that statement and say he knew nothing whatever about it. My honourable friend the member for Napier will bear me out when I Mr. Lawry say that if there were any earnest people in New Zealand that the Maoris respected it was the missionary. At a time when it was scarcely safe for Europeans to go about in any part of New Zealand the old Maoris respected those people who came here at great sacrifice to teach them the Gospel and Christianity. I say the Maoris never killed a missionary for the purpose of using him in a cannibalistic sense. The honourable member for Napier, and the Native Minister, if he were here, would tell the House that the only two missionaries the Maoris ever killed were the Rev. Mr. Volkner and the Rev. Mr. Whiteley. And why did they kill them? Because they were infatuated with fanaticism, and believed they had to do so to please some deity in whom they believed. It is a very wrong thing for a gentleman like that to come to New Zealand and make a statement of that nature; and it is to be hoped the gentleman will apologize before he leaves our shores. I cannot help expressing the strongest dissent from the statement made by the principal De Wet of this Parliament. I refer to the honourable member for Hawke's Bay. He is doing here what De Wet is doing in South Africa -- he leads a guerrilla warfare. He said there never was a period in the history of the colony when farm-produce was so low as at present. Surely he knows nothing whatever about the condition of the country. The condition of the country at present is that, although there is a decrease in the price of wool, there is a corresponding increase in the price of the carcase. I was speaking, when in Auckland, to a gentleman who holds a seat in the other place. I said the decrease in the price of wool must make considerable difference to his income. He said that what he lost in the price of wool he obtained in the increased price of the carcase of the sheep, and also on the We have been told that the Government ought to have increased the facilities to bring people out to take up land. We have heard it stated on the floor of the House that the Government ought to increase the facilities for settlement by outsiders. Personally, I do not believe anything of the kind. As I think I stated at one time, we ought to keep New Zealand for New Zealanders. I should like honourable gentlemen to reflect for one moment that we have in our country thousands of children --- children who are brought up to understand milking cows, feeding cattle, herding sheep, and driving horses. If we unduly induce people to come to this country to take up the limited area of first-class land we now possess, what will the inevitable result be? We shall place these children, when they become men and women, in a worse position than my honourable friend Mr. McNab's father and I myself were in when we came to this country. Sir, I believe in the settlement of the country, but I believe in the gradual settlement of the country by the sons and daughters of the "sod." I believe that the settler of New Zealand is the backbone and mainstay of the country, and I would like to say at this particular stage that I am sure the Government of the present time, by bringing

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and which the whole country resents, are not intentionally, but are, in effect, bringing these settlers into conflict with labour. I believe that labour has as much right to be represented in this House as capital, but I believe, Sir, that by bringing in Bills such as we have had lately the inevitable result will be to bring country members into conflict with the city representatives in this House representing labour, and the result will be detrimental to labour itself. In departing from this subject I would like to have seen the honourable member for Waitemata and the honourable member for Franklin in their places. I would like to point out and emphasize what the honourable member for Napier said the other night. I must not refer to a previous debate, but I understood that on a certain occasion the honourable member for Napier severely castigated the honourable member for Waitemata for the slur and for the scurrilous innuendoes, not supported by facts, that he threw across the floor of a certain place I must not mention. The honourable member talked about bribery. The first time, Sir, that I stood for any electorate in New Zealand I stood against a supporter of the Atkinson Government. It was realised all along the line that I was going to win. In fact I had the election won four days before the day of the poll, but on the day of the

poll I did not win, and that was the most important time. Would the honourable member for Mataura like me to tell him the facts? I will do so. Sir, it was understood in the Franklin South electorate that I had the election won ; and I had won it if it had not been for bribery and corruption. The people in Waiuku had been agitating for a railway from Pukekohe to their settlement. A survey of the line had been made, and the people on the eve of the election were promised that the line should be made without delay ; and they said, " We cannot support Lawry, because

END OF ONE HUNDRED-AND-SEVENTEENTH VOLUME.

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vernment that will make this line for us."

An Hon. MEMBER .- Shameful. Mr. LAWRY .- Yes, it was shameful. And up to the present time there is nothing to repre- sent the railway excepting the holes perforated by the flag-poles. Yet the member for Waite- mata says that I and other honourable mem- bers sold ourselves to support a certain measure on the strength of receiving \$40. Sir, I would like to take this occasion to corroborate what has already been said on the floor of the House, that during last session I attended every caucus of our party, and I have no hesitation in saying -and my statement will be better received than the honourable gentleman's affidavit -- that the question of giving members \$40 to support a certain measure never cropped up at any caucus meeting. The member for Mataura - whose word would be taken against that of the mem- ber for Waitemata or against that of any other member of the House -- says, "Hear, hear." The honourable gentleman, in that "Hear, hear," expresses the very highest principles of immutable truth. Sir, look at the Opposition benches now. It was said by an old fox- hunting clergyman, in the West of England on one occasion, when some of his parish- ioners found fault with him because on the Sunday morning he was preaching he sent his horse away to be fresh for him for a fox- hunt on the following day-he said to them, " Listen to what I preach: I want you to follow the light, not the lantern." Where are the political lanterns to-night ? where is the light? If there is any light at the present time it is burning with a ghastly, cadaverous hue. There is no source of replenishment, and very speedily it will burn out through sheer lack of combustibles. Debate adjourned. . The House adjourned at five minutes to twelve o'clock p.m.