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NEW ZEALAND. . PARLIAMENTARY DEBATES.

=== Second Session, fourteenth Parliament. LEGISLATIVE COUNCIL AND HOUSE OF REPRESENTATIVES. One-hundred-and-eighteenth Volume. COMPRISING THE PERIOD FROM - AUGUST 29 TO . SEPTEMBER 25. 1901. WELLINGTON. BY AUTHORITY : JOHN MACKAY, GOVERNMENT PRINTER. 1901\ .

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ERRATA. AT page 519, 1st column, in comparative statement of the revenue and expenditure for the years 1890-91 and 1901-02, figures should read as follows :- " 1901-1902- Estimated revenue . . Estimated expenditure The words "revenue " and "expenditure" were accidentally transposed. At pages 678 and 679, the word "monotypes," wherever used, should be " monolines." 5,896,000 .. 5,763,814 .. £132,186"

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LEGISLATURE OF NEW ZEALAND.

=== GOVERNOR. His Excellency the Right Honourable UCHTER JOHN MARK, Earl of RANFURLY, Knight Com. mander of the Most Distinguished Order of St. Michael and St. George. ## THE MINISTRY. Premier, Colonial Treasurer, Minister of Labour, The Right Hon. RICHARD JOHN SEDDON, P.O and Minister of Defence Colonial Secretary, Postmaster-General, Com- The Hon. Sir JOSEPH GEORGE WARD missioner of Electric Telegraphs, Minister for Railways, Minister of Industries and Com- merce, and Minister of Public Health Native Minister and Commissioner of Stamp The Hon. JAMES CARROLL. Duties Minister of Education and Minister of Immi- gration Minister for Public Works and Minister of Marine . The Hon. WILLIAM HALL-JONES. Minister of Justice and Minister of Mines Minister of Lands, Minister for Agriculture, and Commissioner of State Forests Commissioner of Trade and Customs .. ## ROLL OF THE LEGISLATIVE COUNCILLORS. Arkwright, Hon. Francis, Wellington. Baillie, Hon. William Douglas Hall, Marl- borough (Chairman of Commitees). Barnicoat, Hon. John Wallis, Nelson. Bolt, Hon. William Mouat, Otago. Bonar, Hon. James Alexander, Westland. Bowen, Hon. Charles Christopher, Canterbury. Cadman, Hon. Alfred Jerome, C.M.G., Auck- land. Feldwick, Hon. Henry, Otago. Fraser, Hon. Francis Humphris, Wellington. Gourley, Hon. Hugh, Otago. Grace, Hon. Morgan Stanislaus, C.M.G., Wel- lington. Harris, Hon. Benjamin, Auckland. Holmes, Hon. Mathew, Otago. Jenkinson, Hon. John Edward, Canterbury. Jennings, Hon. William Thomas, Auckland. Johnston, Hon. Charles John, Wellington. Jones, Hon. George, Otago. Kelly, Hon. Thomas, Taranaki. Kelly, Hon. William, Auckland. Kenny, Hon. Courtney William Aylmer Thomas, Marlborough. Kerr, Hon. James, Westland." Louisson, Hon. Charles, Canterbury. * Died 25th August, 1901. K.C.M.G. The Hon. WILLIAM CAMPBELL WALKER C.M.G. The Hon. JAMES MCGOWAN. The Hon. THOMAS YOUNG DUNCAN. .. The Hon. CHARLES HOUGHTON MILLS. Mckenzie, Hon. Sir John, K.C.M.G., Otago.t MoLean, Hon. George, Otago. Miller, Hon. Henry John, Otago (Speaker). Montgomery, Hon. William, Canterbury. Morris, Hon. George Bentham, Auckland. Ormond, Hon. John Davies, Hawke's Bay. Peacock, Hon. John Thomas, Canterbury. Pinkerton, Hon. David, Otago. Pitt, Hon. Albert, Nelson. Reeves, Hon. Richard Harman Jeffares, Nelson. Rigg, Hon. John, Wellington. Scotland, Hon. Henry, Taranaki. Shrimski, Hon. Samuel Edward, Otago. Smith, Hon. Alfred Lee, Otago. Smith, Hon. William Cowper, Hawke's Bay. Stevens, Hon. Edward Cephas John, Canter- bury. Swanson, Hon. William, Auckland. Taiaroa, Hon. Hori Kerei, Otago. Tomoana, Hon. Henare, Hawke's Bay. Twomey, Hon. Jeremiah Matthew, Canterbury. Walker, Hon. Lancelot, Canterbury. Walker, Hon. William Campbell, Canterbury. Whitmore, Hon. Sir George Stoddart, K.C.M.G., Hawke's Bay. Williams, Hon. Henry, Auckland. + Died 6th August, 1901.

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LIST OF MEMBERS OF THE HOUSE OF REPRESENTATIVES. Allen, Edmund Giblett, Waikouaiti Allen, James, Bruce. Arnold, James Frederick, City of Dunedin. Atkinson, Arthur Richmond, City of Wellington. Barclay, Alfred Richard, City of Dunedin. Bennet, James, Tuapeka. Bollard, John, Eden. Buddo, David, Kaiapoi. Carncross, Walter Charles Frederick, Taieri. Carroll, Hon. James, Waiapu. Collins, William Whitehouse, City of Christchurch. Colvin, James, Buller. Duncan, Hon. Thomas Young, Oamaru. Ell, Henry George, City of Christchurch. Field, William Hughes, Otaki. Fisher, George, City of Wellington. Flatman, Frederick Robert, Geraldine. Fowlds, George, City of Auckland. Fraser, Alfred Levavasseur Durell, Napier. Fraser, William, Wakatipu. Gilfedder, Michael, Wallace. Graham, John, City of Nelson. Guinness, Arthur Robert, Grey (Chairman of Committees). Hall, Charles, Waipawa. Hall-Jones, Hon. William, Timaru. Hanan, Josiah Alfred, Invercargill. Hardy, Charles Albert Creery, Selwyn. Haselden, Frederick Henry, Patea. Heke, Hone, Northern Maori. Herries, William Herbert, Bay of Plenty. Hogg, Alexander Wilson, Masterton. Hornsby, John Thomas Marryat, Wairarapa. Houston, Robert Morrow, Bay of Islands. Hutcheson, John, City of Wellington. Kaihau, Henare, Western Maori. Lang, Frederic William, Waikato. Laurenson, George, Lyttelton. | Lawry, Frank, Parnell. Lethbridge, Frank Yates, Rangitikei. Mackenzie, Thomas, Waihemo. Massey, William Ferguson, Franklin. McGowan, Hon. James, Thames. McGuire, Felix, Hawera. McKenzie, Roderick, Motueka. MoLachlan, John, Ashburton. MoNab, Robert, Maitua. Meredith, Richard, Ashley. Millar, John Andrew, City of Dunedin. Mills, Charles Houghton, Wairau. Monk, Richard, Waitemata. Morrison, Arthur, Caversham. Napier, William Joseph, City of Auckland. O'Meara, John, Pahiatua. O'Rorke, Hon. Sir George Maurice, Kt., Manukau (Speaker). Palmer, Jackson, Ohinemuri. Parata, Tame, Southern Maori. Pere, Wi, Eastern Maori. Pirani, Frederick, Palmerston. Rhodes, Robert Heaton, Ellesmere. Russell, George Warren, Riccarton. Russell, Hon. William Russell, Hawke's Bay. Seddon, Right Hon. Richard John, Westland. Smith, Edward Metcalf, Taranaki. Smith, George John, City of Christchurch. Stevens, John, Manawatu. Steward, Hon. William Jukes, Waitaki. Symes, Walter, Egmont. Tanner, William Wilcox, Avon. Thompson, Robert, Marsden. Thomson, James William, Clutha. Ward, Hon. Joseph George, Awarua. Wilford, Thomas Mason, Suburbs of Wellington. Willis, Archibald Duddingston, Wanganui. Witheford, Joseph Howard, City of Auckland.

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NEW ZEALAND. PARLIAMENTARY DEBATES.

=== Second Session of the fourteenth Parliament. HOUSE OF REPRESENTATIVES. in the service were allowed to vote, and all the employés from the railway workshops through- Thursday, 29th August, 1901. out the colony had the right to exercise their vote. I do not know whether all have ex- Conciliation and Arbitration for Railway Employés exercised it or not; they have all had the -Financial Statement. opportunity. I have simply given the figures I have received from the department. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. CONCILIATION AND ARBITRATION FOR the most noticeable feature in this debate is the RAILWAY EMPLOYEES. lack of interest or the hesitation on the part of Sir J. G. WARD .- I would like to make a honourable members on the opposite side of the statement to the House. Honourable members House to discuss the features and proposals of will recollect that a short time ago I announced the Financial Statement. that a vote would be taken of the railway em- ployes in the workshops throughout the colony ing. as to whether they desired to remain under the existing system of railway classification or merston has been sitting tight on this occasion. come under the Conciliation and Arbitration The Opposition will, I feel sure, before the con- Act of 1900. A vote has been taken, and the clusion of this debate make an effort to criticize the Statement. Are they representing their following is the result : 1,407 votes were cast. Of those, 82 were in favour of bringing the em- constituencies faithfully in allowing an im- ployés under the Industrial Conciliation and portant discussion such as this to take place Arbitration Act, and 1,325 were in favour of without taking some part in it? I have to compliment the honourable member for Parnell remaining as at present. In consequence of upon his versatility, and upon the successful that vote there will be no interference with the manner in which he dealt with the many present system of classification. Mr. HERRIES (Bay of Plenty) .- Will the questions upon which he addressed the House. The sound financial condition of the colony as honourable gentleman lay that on the table of disclosed in the Financial Statement must the House ? Sir J. G. WARD .- There is nothing to lay have been a sore disappointment to the mem- bers of the Opposition, seeing that their evil on the table. Mr. HERRIES .- I thought the honourable forebodings that the colony was galloping to a deficit, and was on the brink of financial dis- gentleman was reading from a paper. Sir J. G. WARD .- I have not the official aster, have not been realised. Those honour- poll. I have simply received an official intima- able members have my sympathy in their dis- tion from the department containing the re- tress and disappointment, as we are not galloping to destruction. It will be seen that the good sults, and I have given the figures to the House. ship " Finance," as it is called in the Financial Mr. G. J. SMITH (Christchurch City) .- Statement, is still sailing clear of those rocks Were the 1,400 and odd votes cast representing upon which the members of the Opposition the whole of the employés in the Railways would like to see her wrecked. One of the most Department ? Sir J. G. WARD .- The position is that the noticeable features in this, as in other Financial Statements delivered during the present Ad- casuals who have been twelve months and over VOL. CXVIII .- 1. ## FINANCIAL STATEMENT. ADJOURNED DEBATE. Mr. GILFEDDER (Wallace) .- Sir, perhaps Mr. PIRANI .- We are doing all the discuss- Mr. GILFEDDER .- The member for Pal-

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ministration, has been the great buoyancy of our revenue. In spite of concessions granted and of reductions made in taxation, we find that we are in a good sound financial position. Now, what do we find with regard to the volume of our trade as gauged by the amount of the imports and exports ? During the last ten years our indebtedness has increased, and is increasing, but our assets have increased at the same time. The debt of the colony, both pub- lic and private, has been increasing, and we are called upon

now annually to pay some three millions by way of interest, so that it is obvious that it is our duty to make the produce of the colony go as far as possible towards liquidating that debt. The volume of trade in 1891 was £16,072,245; the exports then amounted to £9,811,720, whilst the imports were £6,260,525, leaving a credit in favour of this colony of £3,551,195, which went to pay our interest on our liabilities, both public and private, to the foreign money-lenders. But what do we find last year? We find that, although the total volume of trade had increased to £23,892,257, made up of exports £13,246,161, and imports £10,646,096, the credit balance in our favour was only £2,600,065. Consequently it behoves the Government, if they wish to maintain a sound finance, to do all they possibly can to increase our export trade, and in order to do so it would be advisable for the Government not only to subsidise a line of steamers to South Africa and the Home-country, but to borrow one or even two millions for the purpose of equipping a fleet of ocean "tramps" to take our produce away. The subsidising of steamers for the export of our produce is, after all, but a temporary expedient, for the principle of assisting our producers will not be given a fair trial until the colony has a fleet of its own to carry our products to the markets of the world. Until that is done our export trade will not increase to the extent it should, and so we shall lose our share of the Home trade, and miss our opportunity of bringing foreign money into the colony. With regard to the concessions and reductions which were made by the Government last year, a number of us then cautioned the Ministry, and advised them to proceed to the remission with due care and prudence. We pointed out to them that the day of reckoning would undoubtedly come, and that sooner or later a great deal of this revenue which was recklessly thrown away would be needed to pay the increasing expenditure of this colony. Although that day has not yet come, nevertheless the remission of Customs taxation which was made last session has not benefited the ordinary consumer in the colony. It has, for the most part, gone into the pockets of the merchants, while it could have been better utilised in opening up the country and in developing its resources in various directions. And I maintain that had the Government, instead of remitting the sum of £28,000 or \$30,000 of the Customs duty on tea, expended that money in constructing necessary public works, and in encouraging industries that are already being established in our midst, a great deal more good would have been done to the colony than by putting this £28,000 or £30,000 in the pockets of the tea merchants of New Zealand. In this connection I will just mention one industry in that part of the colony I have the honour to represent—I mean the shale-works at Orepuki, which, as honourable members will remember, were started quite recently. The Government offered a bonus of some \$5,000 for the first 100,000 gallons of shale-oil that could be produced in the colony. The company, being encouraged by this bonus which was offered, as well as by the prospective market for the oil they produced, expended no less than £100,000 in completing the works and providing suitable machinery for the purpose of producing oil, wax, and other products of the shale. Now, what do we find? The Customs duty has been remitted on kerosene, which many will consider a desirable remission; but the duty has also been diminished on paraffin wax and other products that the shale-works at Orepuki intended to turn out; and there is not the slightest doubt that, unless the bonus is continued for two or three years, these valuable and expensive works will have to close down. We also find that the Standard Oil Company is quite prepared to take advantage of any remission on kerosene-oil; consequently, this £41,000 or £42,000 of Customs duty on kerosene which has been remitted, instead of benefiting the consumers of this colony, is, in the first place, going to stamp out a growing industry at Orepuki, and at the same time it is going to enrich a very wealthy trust already—namely, the Standard Oil Company. Now, Sir, I consider it is the duty of the Government to encourage in every possible way the establishment of industries in our midst. The Shale Company at Orepuki is already manufacturing numerous products from the shale, is providing employment and developing a valuable resource, and unless the Government will give them some little assistance in order to "get on their legs" they will be in an unfortunate position indeed. That will be a very unsatisfactory thing

for this colony, because then we shall be once more at the mercy of the Standard Oil Company, and the price of the kerosene will go up. Now, there is another occupation to which I wish to allude - namely, the dairying industry. Honourable members who represent dairying districts and the back blocks of the colony are fully aware of the enormous strides that have been made in this industry in the last ten years. We find that in 1890 the output of butter amounted to \$150,000, and cheese £86,000, making a total of £236,000, whereas last year the amounts were : Butter, \$858,914 ; and cheese, #232,233 : making a total of ¥1,001,147, or showing an increase within the ten years of £855,000. Now, Sir, with regard to the export of dairy produce, the advisability of the Government equipping a line of steamers is again manifest. Had we a line of steamers to take our produce to the Home markets at the most advantageous time for securing the highest prices in the Home

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important trade. It cannot be denied that the freights as ruling just now are a good deal too high, but it is satisfactory to know that we have realised good prices in the Home market for our dairy produce. This is a very important factor in bringing about the general prosperity of the colony and in promoting the well-being of the back blocks. In numerous instances we find that settlers in the remote parts of the country are making sufficient . money to buy out their sections, to substan- tially improve their holdings, and to become independent men and women. It may be true that in two or three parts of the colony children are engaged at rather unreasonable hours in connection with this industry, but it must be borne in mind, as the honourable member for Egmont says, that in any pioneering district the young people will have to work long hours and perform rough and arduous work ; but perhaps in any other occupation they might have to endure greater hardships than they experience in following the dairy pursuit. We find from the report of the Inspector of Schools for Taranaki for last year that the children of these dairy farmers are very regular in their attendance, and although they have to rise early in the morning and get their work done, they have the rest of the day for the pur- pose of going to school and attending to their studies, and they do so. Like a previous speaker in this debate, I would just like to say a few words on the great education question. It cannot be denied that with the growing pro- sperity of the colony, and the increased effi- ciency of labour, the wages of the mechanics 32106019788253 and artisans, and even the labourer, have con- siderably increased, and the condition of the members of every trade, occupation, and pro- fession has become brighter, better, and happier. But if there is one class of public servants more than another who do not in any way participate in the benefits of this general prosperity of the colony, it is that very deserving band of con- scientious men and women who are engaged in the highest and noblest of professions- the discharge of that important and national duty, the intellectual and moral training of our youth. The educators of the rising generation, who are doing so much to mould the character of the future men and women of this colony, should receive every consideration and encouragement. Honourable members are aware that a Commission was set up quite re- cently to inquire into the advisability of esta- blishing a colonial scale of staffs and salaries. With regard to the administration of the thirteen Education Boards, it must be conceded that they have done excellent work. Each one of these Boards working out its own ideal in its own way, and each one, being acquainted with the local circumstances and the necessities of its own district, has been doing its very best to promote the educational welfare of the children in that district, and to provide the best teachers that the limited funds at its disposal would permit. But within the last twenty-three years -that is to say, since the present Act came malies and disparities have crept in. We have teachers in one education district receiving a much better salary than those in another. We find the schools differently staffed in different districts. We find in Otago, for ex- ample, the teachers have a great deal more work to do than in Canterbury, and, for the most part, they are better paid. Some of the Boards have been very liberal in the establish- ment of small schools. Small schools do not pay ; they are a severe drain on the resources of the Board ; and the salaries of teachers in those

districts are not so high consequently as in the education districts where the Boards have exercised greater caution and prudence in the establishment of small schools. Take the Auckland District : There are a very large number of small schools there, and the same applies to Marlborough, Nelson, Westland, and Grey. The argument put forward by the Boards is this : that settlement is progressing, and as people take up land in the back country, where they make homes for themselves, the Boards would be neglecting their duty-they would not be performing the functions for which they were called into existence-if they did not afford these people every facility to get education for their children. Consequently, small aided schools have been established in the out-lying localities, and therefore the salaries of the teachers in these districts must be minimised in proportion to the number of the small schools established. In some districts the schools are very liberally staffed. In North Canterbury there is a very liberal system indeed. In Otago it is not so liberal. The result is that the Otago Board, which has a good number of large schools, a low percentage of small ones, and has not been guilty of over-staffing the schools, is able to pay good all-round salaries. Now, we find the best teachers in the colony are attracted to those centres where they receive the highest pay, and consequently those schools are able to do the best work. Therefore we perceive the action and reaction. First, we note the prudence in staffing and establishing small schools, the offering of high salaries, and the attraction thereby of the best teachers, who are thoroughly efficient and are able to do the greatest amount of work. The system under the administration of the Boards has become more or less parochial- that is to say, the teachers from one district have little opportunity of getting promotion by removal into another education district. The respective Boards consider it incumbent upon them-they consider it to be their duty- wherever suitable opportunity offers to promote those teachers who have been engaged for a number of years in their service in the smaller schools, and, possibly, there may be some justice in their contention. But, after all, is this fair or not so far as the teachers Take a Board like the are concerned ? Marlborough one, which is financially weak. There are only one or two large schools in Marlborough, and the "plums" of the profession, in the way of fairly good salaries, are few and

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ment to enter the profession, and no opportunity of getting better positions in another education district. Again, in the districts of North Canterbury and Otago teachers have an opportunity of attending training-colleges or university lectures, of improving their educational status, and of obtaining higher certificates. The teachers in Nelson and other small districts have not that opportunity, and consequently cannot improve their classification so fast as do the teachers in the larger and better-equipped districts. Again, what opportunity or facility is offered to a teacher in one of the smaller districts of attending the university examinations so as to qualify for a degree ? Take, for example, once more the case 3.0. of the teachers in Marlborough, who would be compelled to ask for leave of absence, first of all, from the Education Board in order to go to Wellington or some other examining centre to stand for an examination. Why, the result would be that every one in the education district would know the teacher of a particular school had asked for leave of absence to go to Wellington to endeavour to pass a university examination, and would keep a look-out to see whether he failed or passed. We find that the salaries of teachers are so low, and the chances of promotion to remunerative positions are so very remote, that it is a difficult matter for the Education Boards to obtain the services of male teachers. Out of 3,615 teachers engaged in the colony no less than 2,164 are females, and 1,451 are males - that is to say, there are nearly two females to every male. Again, putting aside the adult teachers, we find that the pupil-teachers-that is, those undergoing a course of training, and who will be the teachers in time to come -- are in the proportion of three females to every male-namely, males 230 and females 792. The Education Boards experience considerable difficulty, as I have pointed out, in obtaining the services of male teachers. Intelligent, stalwart young men will not favourably entertain the idea of entering the

teaching profession, where the work is arduous, where they have to undergo a literary examination at the end of each year during the four years of their apprenticeship, and stand a good chance of losing their position when they have completed their course owing to the want of a sufficient number of vacancies to which they could be appointed. We find there are 230 male pupil-teachers in the service of the various Education Boards of the colony, whereas there are 792 female. In the Wellington Education District, for example, there are only twenty-two male and no less than 153 female : in Auckland, forty-nine male pupil-teachers and 190 female. Now, I ask the question, Where are these Education Boards to get their male teachers from in time to come? I will go a little further. In the weaker education districts the dearth of males is even more apparent, for in Marlborough there are fifteen pupil-teachers, and all of these are females. In Nelson there are forty-three female pupil-teachers, and only eleven males ; consequently, we see that there Mr. Gilfedder brightest boys who pass through the standards in our schools to join the teaching profession. They see no prospect of their future success and promotion in that profession, and consequently they turn to some other calling or occupation that will be more lucrative, and in which promotion will be more certain. Now, with regard to equal pay for equal work, honourable members have for the last few days been presenting petitions to the House from female teachers asking for equal pay to that proposed to be given to men. Perhaps honourable members are not aware that there are three meanings given to this hackneyed expression, " Equal pay for equal work," and the report of the Commissioners appointed to inquire into the salaries of teachers as far as possible recommends the adoption of the principle of giving equal pay for equal work in the teaching profession. Hon. MEMBERS .- NO. Mr. GILFEDDER. - Sir, the honourable member for Palmerston knows nothing at all about it. The honourable member is thinking of equal pay for men and women. That is not necessarily equal pay for equal work, and I will tell him where he is wrong. Equal pay for equal work means, in the first place, that the teacher, no matter in which education district he may be employed, who teaches a school of, say, thirty, forty, fifty, or a hundred pupils will receive the same amount of remuneration. Again, the work of teaching efficiently a school of, say, thirty children, whether by a male or female teacher, should command the same salary provided it be well done, irrespective of the locality of the school or of the sex of the teacher. Women would be entitled to the same salaries as at the present time are being paid to male teachers in all positions if the work done by them were equally efficient. This, again, would be equal pay for equal work. But allow me to say, Sir, that there are positions in the schools in which the work of the females is not equal to that of the males ; and that is the secret of the whole thing. Sir, women do not perform the same work as men. I cannot comment at this stage on the evidence taken before the Commission, as it has not yet been placed on the table of the House; but when honourable members read that evidence they will find that, according to the testimony of the leading experts on the subject in all parts of the colony, the work of the females is not equal to that of the males. The evidence of these educational authorities goes to prove that the lower positions in the large town schools-that is, class-teaching in all standards up to and including Standard IV .- can be done efficiently by the female teachers; but the expert opinion of headmasters, of Inspectors of Schools, and even of many females themselves is that with very few exceptions females do not give satisfaction as class-teachers in the Fifth and Sixth Standards. I think that the reasons given by the witnesses before the Commission will appeal to the common-sense of members of the House. Mr. PIRANI .- You are wrong.

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ber for Palmerston would only exercise a little activity and endeavour to induce the Wanganui Education Board, of which he is not a very prominent member, to pay the females at the rate at which the males are paid he would be conferring a favour and a benefit on the women teachers there, who only get 75 per cent. of the salaries paid to men in similar positions. And this even applies in Wanganui to the payment of the bonus to the females. That is to say, the bonus paid to the female on her certificate -say, on E1-is 25

per cent. less than a male teacher would get. I have the regulations on the matter before me. In Wanganui, I say, they have adopted the bonus system to supplement the salaries, and, instead of giving to the female teacher, who has to go through the same examination as the male, an equal bonus, they only give her 75 per cent. of what they pay to the male teacher. That is what is done on the Board of which the honourable member for Palmerston is a member, but not a very prominent one. With regard to the Wellington Board, I may point out that this system of bonuses is also in existence, and also to a small extent in Auckland. In Auckland stated certificates are required, and there is a stated salary for the position according to the rank of the teacher's certificate, especially in the case of assistantships. In Wellington they are paid on the certificates as well as on the average attendance of schools they teach, and no teacher can take charge of a school of over fifty pupils unless he holds a D certificate. These are the only Education Boards of the colony that adopt the bonus system, which by educationists is deprecated-and that also by members of Boards-because as the certificates of the teachers have become improved the greater has been the demand on the finances of the Education Boards. Until recently that was also the system in Otago, but it has been dispensed with. They found the expenditure increasing there, as many of the teachers were improving their certificates ; but now it is found that they are equally anxious to improve their educational status without the encouragement or inducement of a bonus. With regard to a colonial scale of staffs and salaries, it has been said that this is the thin end of the wedge in the direction of centralising the teachers under the Education Department. I may say that the teachers throughout the colony are, for the most part, averse to centralisation. The Boards have done good work in the past, and the teachers are satisfied to remain under them. The teachers think the Boards have done their best to promote education and to further the interests both of the pupils and the teachers. What is wanted is, in the first place, a colonial scale of staffs, so that a school of a given size will have the same number of teachers, and so that each teacher will do the same work, no matter in what part of the colony he may be located and engaged. As to the cost of living, it has been pointed out that a salary of £100 in one part of the colony is not equal to one of £100 in another place on account however, does not enter to any great extent into the question of salaries. We find that even in any one of the education districts of the colony the rents and prices of commodities must vary, yet no Board makes any allowance at all for the cost of living being higher in one part of the education district than in another. If we were to discriminate between the cost of living in the Provinces of Wellington and Canterbury, or between there and the West Coast, then much more ought the Auckland Education Board to discriminate between the salaries paid to its teachers in the City of Auckland and those paid in the outlying and remote parts of the district over which it has jurisdiction. Consequently, little weight has been attached to the question of taking into account the cost of living while the Commissioners were drawing up a scale of salaries, for it was proved that such a differentiation had never been made, and never found necessary, by any of the Boards, although such cost of living varies considerably in different localities within the same education district. Now, there is another point that has caused a great deal of anxiety to teachers, and that is the mode of appointment. In two education districts of the colony, Wellington and Southland, the applications are sent in to the Board. The selection Committee of the Board go carefully through them, and having selected an applicant they ask the School Committee to concur with them in the selection. If they cannot approve of the person selected by the Education Board, then to give their reasons for disapproving of the selection, and at the same time to nominate and give reasons for so nominating another candidate. That system, as I have pointed out, prevails in Wellington, and also in Southland, and I may say it is working fairly well. In other districts different systems are in vogue, which work more or less smoothly according to locality, the systems adopted, the length of time they had been in operation, and the extent to which the teachers have become accustomed to them. What is required is to better define the functions of Education Boards and the School Committees with regard to the appointment of teachers, so that no

matter what part of the colony a vacancy may occur in, the applications for that position will be treated in a similar manner. I maintain that members of Education Boards should be elected on a Instead of being elected more popular basis by members of School Committees, why should they not be elected by the parents -that is to say, the householders, or, even going a step further, by the electors of the colony, the same as members of the House? Then, I would advocate that the administration of the endow- ments for the purposes of education now in the hands of School Commissioners should be handed over to the Education Boards of the colony, and, failing this, I think they should go to the Land Boards. Now, with regard to In- spectors of Schools, I have advocated, as honour- able members are aware, for two or three years the centralising of the inspectorate. I consider

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under the control of the Education Depart- ment. That, I contend, would lead to uni- formity of inspection, of examination, and the equitable assignment of marks for efficiency towards the raising of the rank of teachers' certificates. What obtains at present is that the reports of Inspectors according to the dis- tricts in which they are engaged vary con- siderably. We find, for example, an Inspector in one locality endeavouring to foist his own particular fads on the teachers in that educa- tion district ; and, perhaps, the very notions and methods that he is assiduously endea- vouring to introduce in that district are being condemned by an Inspector in another part of the colony. With regard to examinations and the assignment of marks for teachers' certifi- cates, we find in Wanganui that the leading educational luminaries recommend the reduc- tion of certificates or disrating of teachers as well as their promotion, and, seeing the Inspec- tor has the power of increasing a teachers' status, he therefore should also have the privi- lege of reducing it, as occasion may require. That is to say, if a teacher reaches the top of the educational ladder and gets an A1 certificate and afterwards, in the opinion of the Inspector, he may not be so efficient as previously, that Inspector should have the power of reduc- ing him from A1 to A2. We had, again, a system in Otago, which prevailed till quite recently, under which the Inspectors declined to assign sufficient marks to an assistant teacher to enable him to get to grade A1 or B1, et cetera, as the case may be, unless he 32106019788253 had some experience in managing a country school, and exhibited some powers of organiza- The tion as the headmaster of the school. result of the present unsatisfactory condition of affairs is that in some education districts, such as Auckland or the West Coast, teachers climb the educational ladder a great deal faster than those of Otago or Canterbury do, and, as certificates go a long way in the estimation of School Committees and Education Boards when filling vacancies, those teachers are handicapped according to the whims of the Inspectors. At the Conference held at the beginning of the present year, the Inspectors also carried a re- solution in favour of centralisation. As they are the eyes, the executive officers, and often the guides of the Boards, it would be to their own advantage, and the advantage of the cause of education generally, were they free to act, to report, or make recommendations untram- melled by the Boards under which now they serve, and whose wrath or displeasure they dare not incur. If they were under the depart- ment, an incident that recently happened in Wellington would not have been possible. We find that an Inspector under the Wellington Education Board gave evidence before the Teachers' Salaries Commission that condemned the Board's action in appointing teachers in some instances, and consequently irritated the members of that body. An inquiry has been instituted by the Board, and the result, I dare say, will be the dismissal of Inspector Lee. Mr. Gilfedder Mr. GILFEDDER .- Well, Sir, if the In- spectors were placed under the control of the Education Department they would be free to give evidence without being liable to dismissal. With regard to the administration of the Edu- cation Boards in connection with the mainten- ance and building funds, I would point out that in the past some of the Boards have transferred sums from the maintenance fund for the pur- pose of erecting and repairing buildings. Other Boards and educationists generally deprecate this custom. Up to the present it has been followed in Hawke's Bay, and in years past also by other Boards.

They supplemented their building fund from the maintenance fund, with the result that there has been so much less for teachers' salaries. No matter what has taken place to bring about a deficiency of funds, we find the scale of salaries has invariably been altered to the detriment of the teachers. Again, under the Wellington Board teachers are not in every instance paid according to the scale of the Board-in some cases they are paid more than the Board's regulations allow. In adopting a new scale of salaries the Board often passes a resolution to the effect that reductions will not take place until new teachers have been appointed. So long as the old teachers remain no change is made, but when new teachers relieve them they are liable to receive the diminished salary. Cases have occurred in the Wellington District where the attendance has gone down so much that a serious reduction in salaries would be the inevitable consequence, but the Education Board, being at a loss to find suitable positions in other places for those who are admitted to be good teachers, have passed resolutions allowing them to retain their old salaries for a specified time ; consequently, they are not paid according to scale or on the average attendance. In some districts-in Marlborough, for example- they engage what is known there as " sewing- mistresses," who are generally young lady pupil-teachers, and who get #1 a month, or #12 a year. They are in reality engaged in ordinary school-work for twenty-five hours per week, and very often they do not teach sewing at all, especially if there is a mistress in the school. The explanation of the Board is this : that by their rules and according to their finances they cannot appoint a pupil-teacher in a case of that sort, but they can appoint what is called a " sewing - mistress"; but there is an understanding that she will perform the duties of a pupil-teacher, though she gets none of the training or instruction or the salary that a pupil-teacher would ordinarily get. Consequently, we find many customs and many practices in vogue in different parts of the colony, and I consider that we have not a national system of education. What we require is a unification of the system, and so strengthen the connecting-link between the primary and secondary schools. The brighter pupils in the primary schools should by liberal scholarships, bursaries, and exhibitions be enabled to prosecute their studies in the secondary schools,

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and in turn make these the stepping-stones to the universities, so that the children of the poorest parents will have an opportunity of passing from the primary to the high schools, and thence to the university, and thus obtain a good sound education free of cost. Under such a system our best pupils would not be handicapped by want of means on the part of their parents, as they are at the present time. Now, I come to a point of some importance -- namely, the training of teachers. As I have pointed out before, we have far too many pupil-teachers in the service of the Boards in this country. Boards do not know what to do with them. They will never have positions in the ordinary course of events for all those pupil-teachers to fill. Sometimes we find that a pupil teacher is appointed when the average attendance reaches thirty-six ; in other districts forty is the number ; and in others, again, an assistant is brought in at fifty. When the attendance at a country school rises, and the school is entitled to the services of a pupil-teacher, one is generally selected from among the brightest boys or girls in the school. The pupil-teacher has to remain there for, say, four years -the ordinary pupil-teacher course. He or she gets no training other than what the head-teacher in the school is able to impart. Possibly the head-teacher in that small country school has not been thoroughly trained himself. He may not even have gone through a pupil teacher course, and the result is that a large number of these pupil-teachers grow up without any training except what the teachers in those small country schools are able to give them. What opportunity have they in after years of competing with those in more favoured districts, working under competent, trained masters, where there are training - colleges, or where they can attend lectures on school management and organization, and where they have the advantage of the universities to enable them to complete their education ? It has been the object of the Commissioners to reduce as far as possible the number of pupil-teachers in the service, and to employ trained assistants in their places. In order to provide for the training of teachers

I maintain that : training- colleges should be established in the four large centres of population ; that, if possible, we should have a chair of pedagogy at our university, and so enable the teachers to obtain a degree in pedagogy. In the smaller centres, such as Napier, Wanganui, Timaru, and Invercargill, we should have training- schools, as we could not well expect to have training-colleges there. They have a training- school in Napier just now, which is doing excellent work, and there is no reason why the example of the Hawke's Bay Board should not be followed in the other smaller centres of the colony. Then, in the districts that will not have a training-college or a training-school a system should be adopted by which the pupil- teachers would be enabled to go for a year or two to the training-college at the termination of their apprenticeship, obtain their training, and so become efficient teachers. The system that is adopted in Wanganui, as far as the employment of pupil-teachers is concerned, I may say is a very good one ; so also is the system that prevails in Taranaki. I believe both systems are due in a large measure to the perseverance, ability, and foresight of the Inspector of Schools who is now located in New Plymouth - Mr. Spencer. Now, with regard to the uniformity of pupil- teachers' examinations, every Education Board has the privilege and the power at the present time of framing rules and regulations in connection with the employment, training, and examining of pupil-teachers. Needless to say, there is a lack of uniformity. I maintain that, in the interests of the pupil-teachers generally, we should have one uniform system for the whole colony, and that we should also adopt a uniform school-book. I consider we have too many different school-books in use in the various education districts ; consequently, a family by removing from one school district to another is put to a considerable expense in procuring new school-books. With regard to transfer and promotion of teachers, facilities should be given for the exchange and transfer of teachers not only from school to school in the same district, but also from one education district to another. There should be some understanding or arrangement between the various Education Boards by which the exchange, the transfer, or the promotion of teachers could be satisfactorily effected. As I have pointed out, our education system is scarcely national; it is fast becoming parochial, and it is almost impossible for teachers in one district to get employment in another. The Education Boards contend that it is their bounden duty to promote the teachers in their own district-those who have been doing good work at small salaries, perhaps, in out- lying places-rather than to allow teachers from another district to come in and secure the best-paid positions. The question may be asked, Why are female teachers in the majority ? There are so few avenues open to the employment of females that wherever a vacancy occurs in the teaching profession we have a large number of female applicants for it. And in many cases the Boards appoint female teachers to the smaller schools on the score of economy, because they consider the salary insufficient to maintain a man. Boards differentiate more or less between the salaries paid to male and female teachers. They in no case pay them equally, although they are specially favoured in Hawke's Bay and North Canterbury, and in the latter district the salaries of female teachers are proportionately high. In South- land there is a difference of 10 per cent. between male and female salaries, and in Wanganui 25 per cent. It is considered that this disparity is too great, and the Commission reduced the difference in male and female salaries as much as possible without prejudicing the salaries of men. As I pointed out, the male teachers are not forthcoming, especially in weak districts where they have very little prospect of improving their

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position, or little chance of obtaining good appointments. The female teachers have very few other avenues for employment, and consequently they are swarming into the teaching profession, which, as a rule, they do not make a life occupation of, as do the men. It will be found by the evidence, when it is placed in the hands of honourable members, that, with the exception of country schools with an average attendance of up to thirty or forty at most, female teachers are not so effective as males. I might say that I was one of those who advocated equal pay for males and females in this House, and until I heard the

evidence of those who had considerably more experience than I have had I adhered to the principle that men and women should be equally paid, but after hearing the testimony of those who have been twenty or thirty years in the service-those who have reached the highest rung of the educational ladder-headmasters in large schools, Inspectors, and those who are the best judges of the work done in the different education districts -I have had to admit, although very reluctantly, that in many cases the work of the female is not equal to the male, as, for example, the female teacher, in the judgment of educationists, is not able to effectively instruct and control the Fifth or the Sixth Standard in the large town schools. Just imagine some forty or fifty boys passing this year the Fifth Standard and coming trooping into the Sixth class-room- what chance is there of a female teacher properly controlling them ? In regard to literary instruction, I admit that they are quite capable - possibly as capable as the males; but there is more than that to be considered in teaching : you must be able to sustain the attention of the class, and you must be a good disciplinarian, especially in a town school. In the country, although strict discipline may not be so necessary, nevertheless the position of a female teacher becomes irksome when she has to deal with big boys who are not amenable to correction or discipline, or who set her authority at defiance. I maintain that for a country school of up to an average of thirty pupils the female teacher is just as efficient as a male. There are a few instances in which the female is able to take charge of a larger school ; but there are also many cases in which the female is not physically able to discharge in an efficient manner the functions of a teacher in a school of that size. Up to that size we have recommended that females should be paid the same salary as males. The same remark applies to the assistants in town schools. We find there that the teaching of the standard classes up to the Fourth can be done by female teachers just as efficiently as by males, and we recommend that they get nearly the same salary. The Canterbury female teachers are flooding this House with petitions asking us to increase their salaries to those of the males. Now, I consider that the Canterbury female teachers have very little to complain of. They have been treated very liberally by their Education Board, and it is scarcely courteous to the members of that Board for the teachers to | of the higher positions they now hold. Now, Mr. Gilfedder come here to deputationise and petition this. House in the manner they have done without first consulting their Education Board, for in the scale we have drawn up we have given sufficient latitude to the Board to adapt it to the circumstances of their various schools. These lady teachers will find that they have nothing whatever to complain of. We pointed out to one of them who gave evidence before the Commission that she was labouring under a misapprehension with regard to the applicability of the scale of staffs and salaries to the female teachers in the Christchurch schools. I will just take one or two instances in connection with the Canterbury schools to show how the suggested scale will "pan out," because I know that in the future members of the House will receive communications and petitions from lady teachers, perhaps in other parts of the colony, who will take a leaf out of the books of those teachers who seem to be discontented in North Canterbury. I will take the Kaiapoi School for example. I find that the headmaster, Mr. Alexander, will get £300 a year, with a free house or house allowance of \$50 per annum. Miss Menzies will get #140, she gets now £125 ; Mr. Lynskey will get #220, now he is only getting £159 10s. ; Mr. Hill will get £120, now he only gets \$90; Miss Blackwell will get £105, the salary being now only £100; Miss Smith will get \$100 instead of \$75, while one of the pupil-teachers will be raised to the position of an assistant, at \$80 a year. I could quote, if I had time, numerous instances in which the same adaptability of the scale to the school I maintain that the female will hold true. teachers of this colony have very little to complain of. The Commission were restricted by the order of reference to a capitation allowance of €4. If we had been allowed greater latitude and more funds we would have recommended higher salaries for females ; but it will rest with the Boards to so adjust their staffs in the city schools that the imaginary grievance will entirely disappear, for, with but one or two exceptions, no lady teacher in Canterbury will be reduced. We have given sufficient latitude to the Education Boards to adapt this scheme to their own

circumstances. One school in Christchurch-I think it is the Syden- ham School-is at the present time overstaffed, otherwise the staffing we have adopted is some- what similar to that in vogue in the North Canterbury Education District, which is more liberal than obtains in Otago and other districts in the colony. Honourable members can see from the report of the Commission that it is within the province of the Education Boards to so substitute two pupil-teachers for one assis- tant, or to appoint a pupil-teacher instead of two, and divert the money thus saved-say, #35-to- the assistant teacher, whose salary the colonial scale will prejudicially affect. The Boards can also arrange the assistantships with regard to the receipt of the fixed salaries, just as the headmaster can arrange the work amongst his assistants. Some of the female teachers fear that males will be substituted for them in some

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how it affects other members' districts, but, rather, as regards the progress of the colony Sir, I contend that the syllabus contains too as a whole. I may say I feel very great satis- many subjects, and teachers are called upon to faction to think the colony has gone through do more work than they are able to do the last year with that amount of prosperity efficiently within the number of school-hours which is indicated by the Customs returns and at their disposal. I consider there should be the Financial Statement. When we find that, a differentiation between the work required in notwithstanding the very considerable amount the small country schools, where the teacher of remissions there have been in the Customs, is unaided, and what might be expected from the in the railway-passenger rates, and through the large fully staffed town school. With regard to penny-postage concession, the revenue of the kindergarten work, sufficient attention has not colony has kept up, we must concede that the been paid to it in our schools. I may say that result of the year's revenue has been as satis- in some of the schools that we visited in Auck- factory as the House and country could expect. land the teachers exercise great care and devote much time and trouble to kindergarten instruc- tion, and we saw a very good exhibition given by the children of what they are able to do in that direction. With regard to manual and technical education, a great deal of the future success and prosperity of this colony depend upon the techni- cal training of the rising generation. If we suc- ceed in training the hand and eye to work in unison by direction of the brain, and in giving a scientific bias to our pupils, we will be doing a great deal to equip our boys and girls, especially the boys, for the battle of life. In conclu- sion, I must express the hope that the House will see that the recommendations of the Commission will be carried into effect, and if the second scale, drawn up by gentlemen of ability and practical experience, be adopted, very few teachers throughout the colony will be I prejudicially affected by the colonial scale. may point out that the second assistants in the two larger Invercargill schools are receiving abnormally high salaries compared with what teachers in other parts of the colony get, and the same applies to the assistant and head- master in the Napier School. I consider the Commission had a difficult task to perform to harmonize the various systems in operation under the different Boards, which, no doubt, were based on the results of practical ex- perience, and were adapted to the circumstances and needs of the districts. We endeavoured to discharge that important function to the best of our ability, and I think that honourable members will recognise that we have performed that task in a manner that will give satisfac- tion not only to the teachers, but to the people of the colony. Mr. BUDDO (Kaiapoi). - We have just listened to a very full explanation of the work of the Commission on teachers' salaries, and I am sure we are all indebted to the honourable member for Wallace for the very full account of the work in which he has recently been engaged ; and we are agreed that the Commission has fully borne out the contention of the North Canter- bury Board of Education when it stated that some readjustment was necessary not in order to raise high salaries, but to assist poor teachers in country districts. I do not intend to go into any criticism of honourable members' speeches ; it has always been my habit in speaking in this debate to confine myself to matters of criti- cism on the Financial Statement, also with re- gard to the work of the public service through- out the colony. I shall proceed to deal with the Statement without endeavouring to

show VOL. CXVIII .- 2. The specially satisfactory matters we have a right to feel proud of are that the Customs duties, notwithstanding the somewhat decreased spending-power of the settlers, have increased by a considerable amount, and that the income-tax, which is always a sure barometer of commercial prosperity of the colony, has increased by no less an amount than £43,000. All this is evidence of material prosperity, and it ought to be our duty to the country to try and find ways and means to retain this prosperity. A few words with regard to land for settlement. I feel that it has not been making that progress that most of us would desire. In the almost extraordinary expenditure which has been undertaken in regard to public works, it is a pity that, side by side, the waste lands of the colony--more especially those in the North Island--were not utilised for the purpose of taking up surplus labour when our public works are near completion. There is a great future before those waste lands, and that future is mixed up with the settlement of the young people of the colony. I do not mean to say that those employed on public works will find land settlement congenial employment, but, if settlers' sons take up land for settlement there would be room for other employes to take up the work they left. In regard to lands for settlement, and the almost insatiable wants of the people in our colony when land is cut up in a closely settled district, I feel that perhaps the best interests of the whole of the people are not conserved in regard to the ballot system. The ballot system, while it may not have the unqualified approval of the public, is at least the only system by which we may expect fair play to all applicants. Not only has this colony and Australia adopted it, but it is in use at the present time in the United States of America, where large areas of land, recently purchased from the Indians, have been settled under the ballot system, which has given, if not universal satisfaction, at least fair results. However, with regard to the system of allowing transfers at an early date, it is true that transfers may be necessary; but I say transfers should never be allowed from one individual to another. All transfers should take place through the Land Boards, and it ought to be their duty to put that particular section to the ballot again, weighted with improvements, and let the public have an opportunity of balloting for it. Our land-for-settlements policy has been a costly one--I do not say too costly--but, at all events, when we come to consider that

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not less than £2,250,000 has already been expended on land for settlements throughout the colony it will be understood that the land-for-settlements policy has not been slow. In regard to our public debt, this debt, I submit, is advancing by leaps and bounds; but it must also be borne in mind that a great deal of the increase of the public debt of the colony is of a nature that is productive. That is to say, advances to settlers, land for settlements, and other public works of the colony, which are returning good interest on the outlay, have been the means of building up a very considerable portion of that debt; but this leads to another question, and that is the question of raising loans either in the colony or out of the colony for the purpose of carrying on these public works. At the present time the money-market in the Old Country is somewhat restricted, and loans are only raised on very considerably higher terms than formerly, and special advantages must be given with regard to the payment of interest. Under these circumstances, it will be understood that the increase of our public debt will go on at a much higher ratio than the results warrant. It is true that the Imperial Government has, within the last few days, converted some of its outstanding Treasury bills at easier rates and on easier terms than since the commencement of the South African war, but there is no reason to believe that loans will be raised more readily or easily in the Old Country within the next twelve months than has been the case during the past twelve months; and, under these circumstances, it behoves us to consider very carefully how fast our public works should be carried on and additions to public debt be made at the present time. I say this should not be done without careful consideration of the future finances of the colony. My own impression is that perhaps in Australia or New Zealand there may be small sums of money that may be raised for the purpose of carrying on public works, but these sums are, necessarily, very limited: and I consider the Government

should be extremely careful as to the means they adopt in raising loans at the present time or private loans of settlers will be difficult to raise. We find that the country's demands for public works are very great. Every newspaper in the colony, whether it is published in Invercargill or in Auckland, demands the same thing -- more railway construction . and more roads and bridges-and public money must be spent if the public are to be satisfied. I say it is the duty of the Government, and it is the duty of the State, to be careful in the expenditure of public money when they see that it cannot be borrowed except under circumstances which add very materially to the public debt, and are altogether out of proportion to the benefit to be derived from it. At the present time we have interest leaving the colony annually of not less than one million and three-quarters, and I also believe that might be added to very considerably and not be outside the mark if the various charges which must be added to that annual interest are taken into Mr. Buddo account. Now, Sir, I should like to deal for a few minutes with our railway system, and it is pleasing to notice, amongst other things, that it has become an institution for employing a very large amount of labour in the colony. We find now that the number of employés in the Railway service is 7,793, and the annual revenue \$1,727,236. Of course, it will be understood I am quoting figures that at the present time are somewhat out of date- this year's returns not being available -- but they are sufficient for my purpose. I wish to point out where our railway system might be improved with advantage to the colony, and certainly in the interests of a considerable number of settlers who are not loud in their demands for improvements. I consider that in Canterbury, and also in Otago, our grain traffic has not been carried so expeditiously as it might be during the past grain season, which has resulted in produce being allowed to accumulate in large quantities at roadside stations until wagons were available to take it away, and this was not the farmers' fault. I know last season it was extremely rare that wagons which arrived at the station in the evening were not filled with grain by the settlers immediately on their arrival-farmers working until midnight or in the early morning to facilitate the work of the railway service-and the wagons were taken away by the morning trains. It was not until days afterwards that those trucks again arrived to take more grain away. Another question that I wish to speak of is that of an expensive service. The settlers do not want fast trains. They do not want special services, or any luxuries of that kind ; and while they wish to see the tourist traffic encouraged by through express trains, they wish at the same time to see that some energy is put into the local traffic management that will utilise night trains and overtime, and so allow the farmers to get their grain away as speedily as possible, instead of allowing it to lay in the paddocks for weeks at the mercy of the weather. I know of one case in which a thousand sacks of produce were sent from one station, and from the day on which the first wagon was sent away a full three weeks elapsed until the last portion of the consignment was taken away, and there were other cases of the same sort. That is not a right state of affairs. Luckily, it was a dry harvest season in Canterbury ; but, under any circumstances, it was a dangerous risk : and I contend that as far as possible the railway staff should see that this class of work is carried on in a more satisfactory manner than it has been in the past. Farmers work overtime, and they have a right also to expect overtime and night trains to assist them in the harvest season, and I know of no employers that would object to this course. An Hon. MEMBER. -- Where was that ? Mr. BUDDO .-- I can give the honourable gentleman the information privately, and there is more than one case, and I do not want to mention names in debate. I wish now to point out that some eighteen years ago a system of night trains, with casual hands, was employed

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An Hon. MEMBER .- The Railways Department for the purpose of clearing away the grain lying hidden at roadside stations. When grain had accumulated with mismanagement, but with the aid of a night train was put on, neglect of farmers' interests and risk from the whole of the produce was removed except broken weather. And, Sir, I consider that the traffic went on more satisfactorily ; but, as far as I am aware, there was

department only. Notwithstanding his great not a single night train on the North Canterbury ability in the administration of the Post and telegraph line during the whole of last grain season. Telegraph Department, I think that his ability I contend, Sir, the circumstances would have warranted the running of night trains; and it would be of more service to the country as it had drawn men from Springfield railway- Minister for Railways, leaving the Postmaster- Generalship to other hands. Now I shall deal with the works, and overtime to the permanent railway for a few minutes with the Midland Railway. staff, the farmers had a right to expect that the Railway Department would assist them. Some years ago I had occasion to bring up to get their grain taken to store, and out in this House to the notice of the then Minister of Lands, the late lamented Sir John McKenzie, of risk in the paddocks. . At the present time, Sir, our settlers are growing grain under very adverse circumstances. If it were not for the South African war, and to some extent for the Chinese war -for Germany has been a large purchaser of our produce, to be forwarded to China-oats would be selling at under 1s. a bushel, and wheat would in all probability not exceed 2s. or 2s. 3d. per bushel ; and practically a losing game is now being carried on by our settlers in Canterbury and Otago.

Notwithstanding that producers in other parts of the world are able to compete with New Zealand on much more favourable terms, we have put up with accommodation on our railways during the past season which is not creditable to the railway management. We wish to give the tourists every privilege, but at the same time it must be borne in mind that a large portion of the income of the colony is derived from exports which are raised by the farmers of the colony, and in the grain season their necessities should be considered. Now let me compare the rates of freight by sea from the Argentine and the shipping rates from New Zealand. Grain from 9s. to 15s. per ton, according to the market rate, Monte Video to London. Here from New Zealand it was 30s. That is the average rate, there have been other quotations, but I do not wish to state the extreme rates ruling. There is an advantage here of more than 50 per cent. in favour of South American farmers. I admit the Government has no control over the shipping interests, but they have control over the railways, and as far as possible the settlers of the colony demand cheapness of freight when, as at the present time, the prices of their products are so low. Now, I want to point out that nothing but a Minister can move the Railway Department. We find every department in the State can be moved except the Railway Department ; but do what you will we cannot get more speed on branch lines. We are hardly content to have a twelve mile per hour pace on our railways out of Christchurch, but we cannot get a fourteen mile pace put on, and so the settlers have to get out of their beds at an unearthly hour in the morning in order to reach Christchurch by morning train. Well, we put up with that, but we surely have a right to expect that the traffic of the colony should be carried on regardless of overtime, and with the advantage of night trains.

Mr. BUDDO .-- I am not charging the fact that land had been selected by the Midland Railway Company for sale outside the B1 map, that the Government surveyors surveyed it, and that it was then put on the market. The result was settlers purchased it, and, after giving security for the purchase-money, they mortgaged their own private property as collateral security. This is where the trouble occurred. The Midland Railway Company, fully alive to the weakness of their position with regard to lands not sold from the B1 map, sold these mortgages to a third person, the result being that these settlers could not get a title from the Midland Railway Company, and were still liable to the mortgagee who bought up the mortgages of the Midland Railway Company. This matter still remains in abeyance ; they have still to pay interest, and they are no nearer getting a title to this land. The lands are of considerable area in Ashley and Selwyn Counties. They are occupied largely by small settlers, who are deserving of consideration in the direction I have indicated when the Government have met the Midland Railway debenture-holders in some way, as I hope they will in the immediate future. I hope they will assess the amount of money that is due, as I think they are deserving of something, notwithstanding that the debentures were purchased at an abnormally low rate -somewhere about \$60 per £100 debenture. I feel satisfied there is some claim, and when they settle that claim I hope they will

take into consideration the question of granting a title upon reasonable terms to those settlers who have not received a title, notwithstanding the fact that they have paid for the land in all good faith : and, principally relying on the fact that the land had been surveyed by Government surveyors, they believed they were buying a genuinely market- able article with a title attached to it. I am sorry to inflict upon this House any remarks upon the education question, considering the amount of information we have had with regard to the Teachers' Salaries Commission from the member for Wallace, but I would not, perhaps, be doing justice to the district I represent if I did not make a few remarks in this direction. It is true that the annual expenditure on the education system has advanced very consider- ably-perhaps out of proportion to the num- ber of children that have to be educated ;

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but it must be borne in mind that land- 4.0. settlement in the outlying districts and the back blocks of the North Island has recently developed to an extraordinary extent, and that it is impossible to educate children in small numbers in small schools as cheaply as in the larger centres. For that reason the ex- penditure is becoming heavier every year. is also to be deplored that the birth-rate of the colony is not so high as it formerly was. But, in my opinion, there is no reason to be alarmed at this, because I think the reasons are neither economic nor social. This result arises from the fact that between the years 1888-92 a large exodus of our young people took place. As many of them never came back the birth-rate has been influenced by that extraordinary migration from the colony. We have no reason to be alarmed, and the normal state of things will return sooner or later. Immediately on it becoming evident to the Boards that a smaller number of children would have to be educated, the teachers raised a strong agitation against the proposed reduction of salaries. A workman would rather work for another em- ployer at a lower rate of wages than continue in his former employment at reduced wages, and, as the teachers are not in a position of going elsewhere for employment, they were quite right in agitating, the result of which agitation was the appointment of the Royal Commission. I have to congratulate the Com- mission on going, as it were, along the easiest lines of resistance, by trying as far as possible to establish a minimum rate of salary under which a teacher would not have to submit to reductions. In my opinion, they have done excellent service; they have made a general scale for the whole of the colony, and in future I hope the teachers will not have to be confined to any one Board district, but will be enabled to obtain employment in any district in the colony at the same salary for the same work. I do not see why teachers should receive higher salaries on account of the cost of living being greater in one particular locality than another. It is an established fact that the standard of comfort is higher at the present time than it ever was before, while the cost of living has been materially reduced, and the reduction is going on. Mr. J. ALLEN. -- On what things ? Mr. BUDDO. -- On most of the necessities of living, with the exception of coals and house- rent. I feel satisfied of that, and under these circumstances I see no reason for disagreeing with the Commission when they say that the salaries should be general throughout the colony. Mr. J. ALLEN. - Coal, bread, and meat are higher. Mr. BUDDO. - The price of sugar, tea, clothing, boots, kerosene, ironmongery, tools, et cetera, has been materially reduced. There may be one or two exceptions. The honourable member for Bruce has interjected that coal and met are higher, but that is owing to excep- tional circumstances; and I hope that in the near future we shall be able to have coal de- Mr. Buddo livered to us at less than £2 a ton, seeing that we are living in a country where there is so much of it. As to the price of meat, that is entirely a matter of the moment, and I have no doubt that in the near future there will be a material reduction, though I question if it is in the best interests of the colony that meat It should be low in price. I come now to that particular point where the circumstances of the Education Board which I represent has led to a general scale being somewhat out of touch with the circumstances of the large schools in the City of Christchurch. Sir, I admit that those schools have the largest attendance of any of the schools in the colony- ranging from eight hundred to twelve hundred in each school-and also that the

boys and girls are taught apart, and that in each of those schools there is an infant mistress in charge of the young children who has always been recognised as specially trained and deserving of a higher salary than the female teachers in charge of a single standard. We are proud of our large schools, and good work is being done in them, especially in the infant department ; but in this instance, I am sorry to say, the infant- school mistresses cannot be congratulated on the result of the Commissioners' finding. It is possible that on maturer consideration the North Canterbury Board will be able to provide better for those teachers, but at the present time it seems to me that it will have the effect of lowering those teachers' salaries materially, though I am pleased to say every one of those teachers has the full confidence of the Board, owing to the excellent manner in which they do their work. Then, we have also the question of the exceptional treatment of our first-assistant teachers. Those teachers are in the city schools, and they almost invariably are engaged in the teaching of one standard only. Very recently the Board of Education came to the conclusion that, with the exceptional advantages these teachers had, and looking to their high attainments and certificates, it would be a good thing to place them in charge of the country schools as head- teachers, and the result was the North Canterbury Board of Education lowered their salaries very materially so as to force them, if possible, out of the situations they occupied. The effect of that was not what the Board had hoped. It was the hope of the North Canterbury Board that they should get the assistant teachers in the city schools to take the positions of head- teachers in the district schools ; and, although the salaries offered in the district schools are higher than those that assistant teachers are receiving at present, the result was practically nil, and the assistant teachers in the city will not take up work in the country schools, preferring to remain in the city schools at even lower salaries. This is not as it should be. The towns have many advantages of training that is lacking in the country, and the scale of salaries provided by the Commission will naturally make the position of first assistant in city schools attract teachers from the head-mastership of our best country schools. I trust this

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will be altered before the scale is introduced. The general wish of our teachers at the present time is to be in city schools, and it is becoming very difficult to find any of the best of our assistant masters who will take charge of district schools. Now I come to that portion of the speech made by the honourable member for Wallace in regard to equal pay for equal work claimed by the female teachers throughout the colony. I consider-and I am not alone in my opinion-that the Commissioners would have perhaps better fulfilled their part if they had stated that, whatever position was to be filled, the pay for teachers, whether male or female, should be equal. And I would point out that no radical change would necessarily be brought about under this alteration of the system. It would be left entirely to the Boards and the School Committees as to whether a male or female teacher would be best suited to the circumstances, and to advertise for such accordingly ; and if it was considered that a female teacher was equal to the work that had to be done, then I consider the female teacher should be paid the same salary as would be paid to a male teacher if he had been appointed to occupy the position. I consider this is about the weakest point of the whole of the Commissioners' finding. I think it would have been more satisfactory, both to the female and the male teachers throughout the colony, if the Commissioners had left the matter of selecting male or female teachers to Education Boards and School Committees to fill the positions, and had stated that the salary attached to a certain position should be so much per annum. Now, there is a necessity to encourage our teachers. The work is of a nature which is trying, and the results in many respects are commendable. The public, as a whole, feel that the life of a school-teacher is not a bed of roses. There is a natural ambition to be first in the race, not only from pride in the work done, but also from the fact that by attaining a high degree of success in the school of which they have charge the teachers may be selected for other and more important charges in larger schools. In this respect the ambition of our teachers is commendable. Another matter I wish to draw attention to is the question of the

scarcity of male teachers for staffing our schools. Personally, I have no reason to think that there will be any scarcity. We find that, if 25 per cent. of our pupil-teachers are males, the supply would be ample for the requirements of our public schools ; and the North Canterbury Education Board recently issued an order to School Committees that every fourth appointment should be a male pupil-teacher. I believe that in recent years the headmasters of most of our public schools have been recommending girls as pupil-teachers, as being more useful in the infant departments of the school. This is not as it should be, and the immediate advantage of the school should not be allowed to militate against the system by training more female teachers than can be ultimately employed, and a sufficient number of male pupil-teachers should be trained as will ultimately be for the benefit of our education system. There seems to be a weakness in the finance of our training - schools. There are several of them in the colony-in North Canterbury, in Otago, and in Hawke's Bay; and I understand that a training-school has also been started recently in Auckland. The grants for training teachers under any new system of scale and grants must be largely increased if the normal training-schools are to continue -and I hope they will, as their work cannot be adequately superseded by a college or high-school course. I think the Government should be more generous in respect to training-colleges, and continue a system that has given excellent results. There is another matter I wish to bring before the House, and that is the question of the over-loading of the primary-school syllabus. I believe that members of Education Boards and Inspectors feel that our syllabus is overloaded, especially for children in the Fourth Standard. I admit that our country-school teachers are at a disadvantage in this respect : that lack of assistance obliges them to group the children of more than one standard together. The result is that the lower standard children are burdened to keep up with the higher standards they are classed with. This is not as it should be; a child should never be taxed with lessons above his or her capacity if their future physical and mental well-being is to be considered. It would be of great service to the future generation if a Commission of inquiry were made into the syllabus of our public schools, with the view of seeing whether it would not be possible to make it lighter, giving more attention to the training of the hand and eye, and lesser tasks for the little brain. Most parents believe, as I do, that it is necessary that our children should be physically as well as mentally developed. One of the strongest advocates of education in this century was the late Professor Huxley, and I remember a little encouragement that he gave to some unsuccessful graduates when he addressed them on the occasion of presenting prizes to the successful students. He said that if he had a boy about to go out into the world, and a good fairy came along and promised to endow the lad with three aids to success in life-that if Professor Huxley would only state those aids the fairy would endow the boy with them. And Professor Huxley said, -- " If I had that opportunity I would say, first of all, put a good stomach in the lad, and I feel sure he will have an important factor to lend success to his efforts in after-life. Secondly, give him plenty of industry ; and, thirdly, give him a full measure of perseverance ; and then, if after all his efforts he is not in the prize-list, he will be well equipped for life, either as merchant or artisan, soldier or sailor ; and success must attend your efforts if you have only these particular aids to success. And none of these aids can be possessed by a child unless he is trained physically as well as mentally." The Government propose to assist manual and technical instruction throughout the country, but I would like to point out that

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no generous treatment of this subject will be at all effective in our primary schools unless the syllabus is altered. I am perhaps unusual in my opinion on this subject, and I have stated it-excepting in regard to kindergarten work, I feel that no child will be materially benefited by manual or technical instruction until that child passes the age of thirteen years. At the same time, if manual and technical instruction can be imparted to the Fourth, Fifth, and Sixth Standards in the public schools by lightening the present syllabus, perhaps some useful work would be done, if it were only as a rest to the brain of the little scholar. But if

we come to consider that manual and technical instruction, to be effective to the youth of the colony, must be wholly taught in our public schools up to the age of thirteen, then I say that it is hardly worth the money paid for it. The right thing to do in order to provide for this manual and technical instruction would be to arrange for continuation classes in our primary schools first, and continuation classes in every centre where there are a hundred public-school pupils, and especially where there are lads who have left our public schools not old enough for work or a trade, and who would materially benefit by the continuation classes. I would not propose to hold these classes in the early hours of the day, but after 4 p.m., when the pupils could get a training in elementary science, perhaps a little practical work in wood and iron work, and also some little addition to their previous drawing studies ; and, in the case of the agricultural districts, we might add land surveying and elementary science in regard to agriculture, and a navigation class in seaport towns. In that direction I think valuable instruction could be given ; but, unless some practical effort is made in that direction in the smaller districts, I feel that our manual and technical instruction must be wholly confined to the four large cities ; and there is no country district, notwithstanding the enthusiasm of the parents, that can carry out this work unless special efforts are made in the direction I have indicated, by special advantages being given to those districts where there are only schools with about a hundred pupils. Then, there is a question that is perhaps more important, and that demands even more attention at the present time - that is, the question of the training of our girls. Under modern conditions of life, the mothers of the colony are quite unable, in view of the domestic services they have to attend to at home, to spare the time to enable them to attend to the education of their girls in respect to those domestic duties which are absolutely essential to the success of the girls in after-life. And it is imperative that some special training, especially of a domestic or house-keeping nature, should be given to the girls, so that they may be trained for their duties in after-life. Saturday afternoon classes should be encouraged, and lessons in cooking, laundry-work, dressmaking, and cutting out should be given ; and I feel that if those who have enthusiasm for the work would undertake it, we should be doing even greater service to the girls in those subjects Mr. Buddo than to the boys by manual and technical classes. Let me now deal for a moment with the financial position of the settlers in the colony. I have already spoken of the financial position of the Government of the colony, and I would like to say a few words with regard to our settlers and their financial position. We cannot hope to be able to continue the present rate of progress in the face of the considerable fall in the price of some of our exports, notably the low price for wool - I might say the abnormally low price for wool, for I have never seen it within 25 per cent. of the price at which it is selling to-day in the London market or in the colony; in fact, the coarser wools in the colony at the present time are absolutely unsaleable, and it almost becomes an obligation to the seller on the part of the buyer to take it from him at, say, 3d. per pound. Now, Sir, added to that is the continued low price of wheat. This is the third year that it has realised only 2s. and 2s. 3d. per bushel. Kauri-gum is also at a lower level than formerly. In addition to the low prices has come this collapse in the dredging boom of the colony, which will naturally react considerably in the way of preventing so much work being done in the foundries and ironworks throughout the colony. Then, the export of frozen meat cannot increase at the present moment - and perhaps rightly so too, by reason of the fact that we are settling so much new country. We cannot expect to be able to export so much when stocking of back-country blocks has to be done. Then, again, the price of frozen meat cannot be maintained at the high level of the past year or two, owing to the fact that the Argentine is clear of foot-and-mouth disease, and in the immediate future will be able to send live-stock to Great Britain to be slaughtered there and sold as fresh meat. Under those circumstances we may expect to have less income, and I feel that our settlers may have to do without many of the advantages of prosperity they have had during the last two years, and to some extent it is incumbent on the Government to continue, very considerably, public works that they have undertaken during the past year, in order to prevent labour

dificulties and the lessening of the volume of trade that bad times may bring. I do not know that it is necessary, however, for them to continue these works at the same rate ; but it is necessary, in view of the likelihood of there being a restricted finance on the part of the settlers of the colony, that we should not in addition to that throw unemployed on them. In this respect I think the Government will do good work, notwithstanding the fact that in doing so they run the chance of increasing the public indebtedness of the colony. Then, Sir, just to deal for a moment with old-age pensions. I still regret that it is considered incumbent on the part of the department to treat the home of an old-age pensioner as part of the disqualification under which he cannot get a pension. It has often been said in this House by those opposed to and by those in favour of the old-age pension that the thrifty should be

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might encourage thrift and also sentiment on the part of the old-age pensioner, if we were to put a limit to the price put on a dwelling in which an old-age pensioner lives. That limit will be taken off the value of the property when the person applies for a pension. \$100 or \$150 would be ample, and if a pensioner resides in a house valued at \$300 he would then not be debarred altogether from receiving a pension. That would be a small concession. It may be that there are a few cases of imposition in the colony, and doubtless there are ; but in this respect the department might do good by insisting on the evidence being taken on oath, and in subsequent years, if the pensioner were to sign a short declaration stating that during the previous year his income had been so much, that is all that need be required for a renewal of the pension, instead of these old people appearing before the Court annually. These are a few matters which will cause less friction in the department, and do away with the feeling of unfairness in regard to keeping some of our most deserving old people from receiving that necessary State pension which I think they have a right to expect. I come now to a matter which is of very considerable importance to the farming community-the question of how best the Government of the colony can assist our producers. The paragraph in the Colonial Treasurer's Budget, on page xx., I think, practically contains the gist of the whole matter. He states that,- " The erection of cool-stores in the Mother-country alone would be of little advantage. If, however, the producers and the freezing companies, in conjunction with the Government, could divert the principal trade to the colony's store and regulate the output in Great Britain the results would be beneficial. The cold-storage stores should, in any case, be close to the point of discharge." Then he goes on to deal with other matters ; but this is sufficient for my purpose. The individual, I am sorry to say, has been perhaps the greatest enemy to progress in the direction of making a combination in the Old Country with regard to the exports from the colony. I feel, while it is a laudable anxiety on the part of the individual to establish a well-known brand of his own, and command the highest price that can be given, still it has this result : that it frequently gluts the market with frozen meat and other perishable produce. In the face of very limited visible supplies, this naturally forces down the market, and the result is that frequently a small " corner " is formed, perhaps not requiring a larger outlay than \$200,000, and within a month these particular perishable products have advanced 33 per cent. in value. If a combination of business houses-I speak, of course, of export houses-freezing companies, and the Government were made, and one centre formed in London or any other largely populated place in the Old Country for controlling the imports of perishable products from this country, it would have the very best effect on the market, and better result to the small farmers of the colony. The system of private individuals forcing their produce on an unwilling market can have only one effect, and that is a slump in prices and a nibble to speculators. The trade at present with South Africa has great potentialities before it; but we must bear in mind that the white population of South Africa does not exceed that in the North Island of this colony, and how can we expect any very great trade with such a small population? It would be wise on our part to keep a sharp eye on the likelihood of that colony becoming a good market, and, with that end in view, I am in favour of Mr. Gow being sent to make inquiries ; but at the same time we cannot expect any large

results in that direction. But it ought to be our duty to try and conserve our place in the London market for the purpose of marketing our produce in the best possible manner. At the present time we are helping our settlers considerably, not only in regard to land settlement, but also we have lowered the freights on our railways in regard to produce. We have also advanced to settlers almost two millions and a half-in fact, we have, in all probability, exceeded that amount by this time -- and in that direction we are keeping in view an easy money- market for our settlers, and are doing a considerable amount of good, especially in view of the present tight condition of the money-market. I had intended to deal for a few moments with the question of federation ; but that has not yet come before the House, and I will leave it to another occasion. There is a matter which I have very much at heart at present, and one in which I think the Government could assist our producers in this colony-the question of joining our mail-services with our produce ships trading to the Old Country or any other British colonies; and, in this direction, it may be mentioned that I am strongly against the San Francisco mail-service. The amount given to that service ranges from \$17,000 to \$30,000 per annum, according to the amount of the mails sent, a specially high rate per pound being charged for carrying mail matter on Spreckels and Co.'s steamships-four times as much as Postal Union rates. This is practically 4.30. a large subsidy, and would be of great assistance to any line of steamers that would carry our produce and mails via Australia or South Africa to London. Mr. FOWLDS .- They would take ten days longer to get to London. Mr. BUDDO .- My honourable friend represents Auckland, which, I believe, has very large sympathies with the Frisco service. I am speaking more particularly of other portions of the colony which have large interests in regard to our export trade. I personally advocate a strong Australian and New Zealand subsidy for the service to connect with England via Suez; and I think that if the Government put on fast steamers to run to South Africa, there is no reason why they should not connect at Albany with the fast steamers from Sydney or Melbourne, and thus provide for

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colony some service? I admit there is not much produce trade on the route, but it will be an "all-red " line, and will benefit the colonies which have our interests at heart, and not help the United States, which hedges round its trade with special duties and special maritime laws which are distinctly adverse to us. Our trade is done with the eastern coast of the United States of America, and in that direction we have nothing to thank them for. Almost the whole of the products which come from these eastern States are reapers-and-binders, kerosene oil, and other articles connected with agricultural work, which have no import duty on them whatsoever. Hence they derive trade advantages with this colony, and the way they pay us back is in the coin of preventing British trade and British ships trading between one port and another in that country. I think we should begin to alter this matter, and encourage the Government to promptly put a veto on the Frisco service, and get a good service via Suez. It would not be more than three days longer, and I believe it would be equally effective, notwithstanding the fact that perhaps the business portion of the colony might not receive business letters within a day or two of the time they do at present. Every business house has the use of a certain cable code : one word is used for an address, and two or three words in the case of the articles sent for, and I believe a large proportion of the orders on the British market are sent by cable. The Frisco mail-service is pure sentiment in regard to letters coming to this colony two or three days sooner than by a fast service via Suez. I may say, shortly, that I am strongly adverse to the Frisco service, and I shall vote against it on every occasion I get an opportunity, in favour of a service by British steamships, and having British interests at heart. Now, Sir, just a word in regard to public works. We have at the present time a very large indebtedness with regard to public works. We added to that indebtedness very considerably last year. public works expenditure totalled \$1,809,000, and a very considerable portion of that was added to the funded debt of the colony. We propose to spend \$1,950,000 during the coming financial year, but I would point out that the Government is not altogether

responsible for this extraordinary expenditure. Why, the whole colony demands this expenditure ; it is perfectly gluttonous for further public works expenditure. Take, for instance, the remarks of the president of the Wellington Chamber of Commerce only yesterday. He stated,- " He regretted the North Island Trunk Rail- way was still in an unfinished condition. In the present system of neglect of public works it was wasting time to bring forward the necessities of the colony." Why, bless my soul, the colony has increased the public works expenditure during the past year by one million, and the president of the Chamber of Commerce in this town states that the colony's public works are neglected ! What next, I wonder ? Every paper one takes Mr. Buddo have got a railway "-one particular railway through their district-and that the whole success of the colony is tied up in that par- ticular railway, and public works expenditure must take place in that particular province. Sir, I speak as a Canterbury member; and, speaking for Canterbury, I say the Canterbury people are prepared to take the whole of the workers on the Springfield-West Coast Rail- way and put them on the Waipara-Cheviot Railway, and take that particular railway to its objective and paying-point at the present time, to the Mackenzie Township at Cheviot- and would be satisfied with it when it got there, and allow the West Coast Railway to take a rest for a short time, or until we get other lines of more importance finished. All the cheaply made railways are now made, and the colony must be prepared to go slower, or the debt of the colony will be piled up faster than the growth of population warrants. It seems to me we have now come to this state of things : that one part of the colony is jealous of another part, and, rightly or wrongly, there must be public works expenditure, with the result that in the past year we have been landed in an ex- penditure on public works of \$1,809,000, and it is said the colony will not be satisfied unless we continue to spend at the same rate in the future. I say, Sir, the Government are not responsible for that. Sixteen years ago the public-works expenditure was \$1,475,386; in 1895-96 it was \$412,330; in 1899 it was \$993,223; and last year we increased that amount by a million-namely, to \$1,809,000. Surely the pace is sufficient to satisfy the most exorbitant demand for public works the colony can possibly ask for. Mr. BOLLARD .- Was the money spent ? Mr. BUDDO .- All of it was. I am not able to say whether well spent, but I believe so. Now, with regard to defence, I wish to say that we need to put a little more local power in the hands of the officers of Volunteer corps. We ought to abolish all district adjutants, and give The the officers of the Volunteer corps a free hand. Let them be controlled by the department in Wellington. Let them use their own judgment in the way of taking up duties in regard to drill and field service, and give them the funds now paid through district departments. The present red-tape business in connection with the defences of the colony is very trying to our Volunteers, and should be put an end to. Then, the rifles recently imported should be distri- buted as early as possible. I am told that the oldest Volunteer corps in the North Canter- bury District have not received the new rifles yet, while in other portions of the South Island and in most parts of the North Island the Volunteers have had them a considerable time. The member for Hawke's Bay, Captain Russell, said the public works policy was a form of bribing the people, and the member for Riccar- ton, Mr. G. W. Russell, said the Government had departed from the cardinal principles enun- ciated by the late Mr. Ballance in his policy of self-reliance. Now, I contend that our colonial

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wholesale manner. He was followed by the demand for public works is very much in the honourable member for Riccarton, who is direction of the demand of the British people nominally a member of the Government party, for increased expenditure in the expansion of and he, in an able speech, dealt very adversely Imperialism, and in regard to the war in South with the Government finances. Sir, I am not Africa in which Britain is now engaged. What going to appear as an apologist for the Govern- did Lord Salisbury say the other day in the ment, but I am going to draw honourable mem- House of Lords ? He made these remarks :- bers' attention to the parts of the Statement " The tendency to extravagance is increasing. which are worthy of their consideration ; and We have to protect ourselves, and pay the cost.

before doing that I wish to give notice that it We have no choice. For years public opinion is my intention to move an amendment on the was in favour of a pacific policy, but now that motion before the House-an amendment in state of opinion has passed away. The tide has the direction of asking the Government to deal turned, and who am I or who are we that we with a State bank of issue. I simply give should attempt to stem the tide? If the tide notice of this before I commence to deal with has turned we shall have to go with it. We the figures submitted to us. There is one are in the presence of forces far larger than we feature which, although I am a Government supporter, fills me with a great deal of alarm can wield." The Government are in the same position in connection with the Financial State- with regard to the public demand for large ment, and that is the abnormal rate at public works expenditure on roads and railways. which borrowed money is being piled up in this The tide can scarcely be controlled, but I here colony. Our times of prosperity will pass throw out a word of warning. The Government and the House has a duty to perform, and that is to put some check and limit on public works expenditure, or the result will be disaster so pronounced that the colony will be unable to bear the strain. I commend my remarks with regard to the public works expenditure to other members who may speak for other parts of the colony ; but I feel that, while the public works expenditure may be demanded by the country, we are going at a pace that in the near future we may have great reason to regret, and we may find it necessary to make still further sacri- tices in order to prevent " unemployed " difficul- ties and bad times of depression in this colony. I am sorry, Sir, I have not time to go into other matters, your bell having rung me down ; but I have dealt with those subjects that I feel the colony has a deep interest in, and will reserve my remarks on other subjects to a future occa- _ Mr. LAURENSEN (Lyttelton) .- Sir, I be- sion. lieve the orthodox procedure is to get up and say, " At this late hour I shall not detain the House at any length." However, this after- noon I have not even that bald excuse to bring forward. I rise to express my opinions as briefly as possible on the estimates that have been put before us, and also on the Statement and balance-sheets that have been submitted for us to discuss. I have listened with a great deal of interest to the remarks of previous speakers, and their very able criticism against the balance-sheet that we are considering. In this connection I feel that we on the Govern- Inent side of the House are placed in a very invidious position. Owing to the weakness of the Opposition we are compelled to criticize the estimates and the Financial Statement, with the view of discovering their weak points and condemning them, and, if neces- sary, voting against them. After all, there appears to be very little opposition to the Go- vernment measures from the so-called Opposi- tion. The first speech that impressed me during this debate was the speech delivered by the honourable member for Bruce, in which in very vigorous and powerful language he condemned away, and adversity will overtake us -lean years will succeed fat ones - and if we do not preparo for adversity now it will be all the worse for us when it comes. Instead of heaping up bor- rowed money, and keeping the colony in a more or less inflated state by means of it, we ought to taper off. Instead of borrowing now more than we did ten years ago, we ought to borrow less. I am aware of the fact, for instance, that to keep the Railway Department in a state of efficiency it was necessary to give the Minister power to borrow money to replenish his stock of trucks and other rolling-stock. The result has been that we find only about half the number of complaints which we had last year from farmers and merchants regarding the shortage of trucks. In analysing the balance-sheet that has been put before us I will endeavour to be as brief and as fair as possible, because I do not think that any man should occupy the time of this House for an hour unless he has, shall I say, something worth saying; and, without being egotistical, I think I can say that I have some- thing worth telling honourable members. The honourable member for Riccarton drew a com- parison covering ten years, and it is my inten- tion to do the same. I find the following to be the result : The Civil List has increased from 425.081 in 1891 to \$29,000 in 1901, being an increase of €4,000, which is just about in ac- cordance with our increased population. We find, however, that the charge for legislative expenditure has increased from \$15,499 to £25,265, being an

increase of €9,666, or about 60 per cent. We find that the Colonial Secretary's Department has increased from \$76,000 to \$110,000, which is an increase, in round numbers, of 40 per cent., both of which increases are too large altogether. The Colonial Treasurer's Department has also increased its expenditure by 20 per cent. ; and altogether the total increase in our charges on the permanent appropriations of Government and annual appropriations since 1891 has been \$1,345,596, or an increase of 31 per cent. An Hon. MEMBER .-. For what period ?

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nual and permanent appropriations have increased by 31 per cent. Now, when we realise that the population during that period has increased only about 6 per cent., and that our governmental expenditure has increased about five times as fast, I think it is high time for the most hopeful of us to call a halt, and to ask the Government to begin to consider whether we are not spending too much money. There are certain departments, however, where the expenditure, although largely increased, can be justified ; and in this connection I shall deal with the Statement of the Minister for Railways, which more particularly concerns my district. I find that in 1891 the Minister for Railways expended on railway services \$709,000-I am leaving out the odd hundreds. In 1901 he spent £1,144,000; or, in other words, his expenditure has increased by £435,000 in ten years. But there is one important feature to be borne in mind by those who criticize and find fault with this enhanced expenditure, and it is this : that, while our expenditure has increased £435,000, our revenue has increased from £1,123,000 to £1,720,000; or, in other words, to put it simply so that any one can realise what it means, for every \$100 by which the expenditure on the railways has been increased the revenue of the railways has been increased by €137. Now, I have not the slightest objection to any business or any financial institution increasing their expenditure if they are increasing their revenue at a faster rate. Again, take the Post and Telegraph Department : This department has increased its expenditure during the past ten years from \$261,000 to \$416,000, an increase of €155,000, but the revenue during that period has increased from £631,000 to £903,000; or, in other words, that department for every \$100 by which they have increased their expenditure have increased their receipts by £175. Now, those are satisfactory figures, and I think, whether we are on the Opposition or the Government side of the House, we ought to congratulate those two departments on those very satisfactory results : that is, that, while our expenditure on them has increased, our revenue from them is increasing at a much more rapid pace. But there are some departments in the Government service where the expenditure is increasing at a rate that none of us can justify .- where there are no extenuating circumstances-and one of the most noteworthy departments of the Government in that respect is the Defence Department. In 1891 the expenditure on that department amounted to \$174,226; in 1901 it rose to \$324,057. In other words, during those ten years we increased the expenditure on the Defence Department by 85 per cent. Now, I do not think the country is prepared for this As far as I am concerned, I am bitterly opposed to it. I think nothing can be more disastrous for any country than for it to go in for a large military expenditure. It is not only bad for the people themselves, but it is bad for the men you put into the department. You give a man the idea that he has only to march his head, and tricked out with furbelows, and it makes him not a man at all, but a sort of human doll. I believe a man is to a very large extent spoiled when he goes in for a military career in a country such as this where military people are not wanted, nor are likely to be. Late experiences have shown that we do not require an expensive military service. We want our Volunteers to be furnished with modern weapons, and they will be quite capable of giving a good account of themselves in the event of any enemy landing on our shores. We have seen in South Africa two Republics, with a total population of a little over three hundred thousand people, set at defiance the greatest nation - I believe we all admit that it is the greatest nation-on earth. That is, the case of a nation with complete command of the sea, and able to attack them not from the seaboard, but from the land, yet those two small Republics have been

able to hold the British armies at bay for something like two years. And, mark you, the Transvaal and the Orange Free State were only six thousand miles away from the base of their enemies' operations, whereas we are sixteen thousand miles away from any enemy likely to attack us, and we are entirely surrounded by water. I believe that no nation in Europe could attack this country with the slightest chance of permanently establishing a footing within our borders. We have now very nearly a million inhabitants here, and I am sure if we had fifty thousand Volunteers armed with modern weapons we would not require any further military system to keep us free from attack. I would not grudge to see another €10,000 or £20,000 voted towards the support of the British navy, as our contribution towards keeping our trade routes clear. And then, if we keep within our borders a number of efficient Volunteers, I say we will want no further system of defence. In spite of these self-evident facts, it is now clear that our defence-system expenditure is increasing by leaps and bounds, and I believe very shortly the burden will become intolerable. There is another matter in connection with the estimates which I wish to refer to, and that is the large increase in the vote for lunacy and charitable aid. It is a remarkable thing that the number of lunatics should be increasing at the rate they are. The member for Wai-temata says he is not surprised at it. I am, however, surprised at it; because, after all, what is the great predisposing cause of lunacy? It is drink; and whatever the young colonial is, he is not a drunkard. And I do not think that it is religious mania that is turning the heads of so many colonists. What is the cause of this lunacy? An Hon. MEMBER.-- Bad laws. Mr. LAURENSEN.- No; but I think it is not improbable that our present system of education has something to do with it. There is too much cramming under it, and it is now thought that a boy or girl has not made proper progress unless he or she has passed the Sixth Standard at twelve years of age. At any rate, we see

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that there has been a large increase in lunacy. I do not say for a moment that education is causing children to go mad; but the increase, as I have said, is remarkable, and it is difficult to know what to attribute that increase to. I think this is a matter which is worthy the attention of every member of this House. I notice that the vote for lunacy and charitable aid has increased some 70 per cent. in ten years. It was supposed that the old-age-pension scheme would reduce the vote for charitable aid. The prisons vote has in ten years increased 10 per cent. That, however, is a nominal increase which one cannot complain of; but the noteworthy feature in connection with the estimates is the enormous and, in my opinion, unjustifiable increase in the police and defence vote. The total increase, therefore, during the past ten years amounts to .€1,300,000 per annum; and I think it is time the Government went in for a more extended system of economy than they have hitherto faced. And in connection with this there is another department which I think we ought to call attention to, and that is the Public Works Department. In 1891 the expenditure on this department amounted to £326,000. Last year it amounted to £1,307,000, which is an extraordinary increase--too large an increase altogether--and it shows that our public works expenditure has increased to the extent of a million a year in ten years. And what do these figures show? They show that we are living on the proceeds of borrowed money to a very large extent. An Hon. MEMBER.- What are the liabilities also? Mr. LAURENSEN.- I am not dealing with the liabilities, but simply with the amount of money expended last year on the public works of the colony; and the position shows that there must be a very large proportion of our people who are living on the proceeds of borrowed money. We also find that there are now nearly six thousand men employed on the public works of the colony, and whenever we begin to experience a tightness in the money-market, and find that we cannot get borrowed money with the facility that we have been lately able to obtain it, we shall find that these men will be thrown out of employment; that they will then come into the towns, and will start an agitation that will result in an uproar that will shake the strongest Government that ever sat on those benches. To prevent all this misery from coming upon us, what is wanted? I will tell you what is wanted.

The Govern- ment must go in for a more extensive system of settling the people of the colony on the lands of the colony. I do not believe in asking them to borrow moneys for the purchase of more estates. I believe there are plenty of public lands, especially in the North Island, that could be cut up now with advantage. There are also plenty of Native lands that can be dealt with and settled with large numbers of people, who would then be wealth-producers, instead of being, as they are at present, a source of weakness to us. Instead of the Government spending so much money on public works, if they spent half as much in purchasing some of the large estates in the South Island they would be relieving the great pressure which is being felt at the present time down South, and they would be permanently curing the "unemployed " diffi- culty. I think it is high time the Government began to face the position in real earnest, and realised that, after all, the first thing to do is to live within our means. I believe we cannot suddenly cut off our public-works expenditure, but I believe we can do this by degrees ; and I believe that the sooner we do this, and set about it in real earnest, the better for the country and for the Government. I am not going to detain the House at any further length, as I have now said all that I wished to say respecting the Budget ; but, as I indicated when I began my speech, I intend to move an amendment in the direction of expressing a wish that the Govern- ment should now begin to deal with the ques- tion of issuing notes of their own. Mr. Ell, the member for Christchurch City, has already laid before the House a number of statistics showing the note-issue of this colony. I believe that if we had a note-issue in the colony under the Government we would not interfere with our ordinary financial arrangements, and it could be done without disturbing commerce in the slightest degree. I believe we could have a currency now of two millions, and if we had behind it-because so many people insist that we should have- a gold reserve of, say, 2 per cent. or 5 per cent., we would then have that 5 per cent. and the gold reserve behind the note-issue, and we should then be able to issue notes within our own domain to the extent of two millions. That would enable us to carry through a very large amount of public works that at the present time we are not able to carry through, because we have to go on the London mar- ket and borrow money at a very disadvan- tageous price. I know a number of people say, " Yes ; but if you have your State issue you will have your State making default, the same as other States have done before." Sir, we might as well say that we ought not to have a private note-issue, or a note-issue in connection with our banks. We know that banks have suspended payment, and that the Bank of Eng land had practically to suspend its charter and suspend the specie payments four times. There is hardly a bank in the world that at some time in its history has not had to suspend its charter and to suspend its specie payments. In view of the advantages to be gained, I do think that it is not an unreasonable thing to ask that the Government of this country should be prepared to take the responsibility of issuing notes of its own, and I do not think there would be the slightest risk of the Government having to sus- pend their payments. People would know that they had not only State security be- hind their notes, but also that they had behind that the gold basis. You would then find that the notes were as good as gold in any part of the colony ; and, as we have already circulating in the colony a million and a half of paper money, I think it is high time the

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into their own hands, and issued notes to the extent of two millions of their own paper. That being so, I will conclude these remarks by moving, That, in the opinion of this House, the Government should introduce a Bill for the purpose of establishing a State bank of issue, or an issue department of the Colonial Treasury. Sir, I do this because I believe it is in the interest of the country that we should face this question. I believe we have gone often enough to the London market ; and, after all, we have resources enough in our own powers to develop this country. In spite of the fact that our expenditure is increasing to such a large extent, where the largest amount of expenditure has been noted - namely, in the railways, an increase of \$500,000 odd -- that increase has been the means of bringing in 37 per cent. more revenue than was the case before. I have also pointed out that in another large department of State

- the Post and Telegraph Department -- the increased expenditure has caused a much larger increase in revenue. What do these facts show us ? They show that if we are only true to ourselves-and this country is only now on the verge of being developed - and if we go on developing it and settling people on the lands of the country, we would have no chance of the present prosperous times breaking down. Not only so, but, while we realise that the prosperous times cannot always remain at the high level of the last few years, I believe there is not the slightest danger of our going back to the bad times that existed in this colony ten years ago, when by maladministration the colony drifted into a state approaching national bankruptcy. I see no signs of that maladministration on the part of the present occupants of the Government benches. I realise that they have their faults, but they do not belong to that troop of "dismal Jimmies" who continually predict evil to this country. They, at all events, are people hopeful for the best, and they believe in the country, and also in themselves. They are not that type of people who are continually calling out that the country is going to the dogs, and who not only do not believe in the country, but have also lost faith in themselves. I believe that this is what is the matter with the present Opposition, and I only hope they will stir themselves up, and give us on the Government side of the House a hand to send the country along at the pace we wish to see the country travelling at. I believe, if we do this, that the prosperity we have gone through during the past few years will be only the beginning of a greater and more enduring prosperity. I believe that, although much has been done in the past in the way of developing the country, there is still much country to be taken possession of. Much more work is yet to be done, and if we are only true to ourselves we will make this country really great and prosperous, and a country worthy of the aspirations of her noblest Sons. Mr. J. ALLEN (Bruce). - May I ask how the Mr. Laurensen amendment to a motion to go into Supply is usually taken as a serious thing. Does the honourable gentleman intend to treat it as a want of confidence ? Sir J. G. WARD (Minister for Railways). -- I regret it is not possible for the Government to accept the amendment, as the time has not arrived for the practical consideration of such a proposal. I do not, however, feel sufficiently nervous to take it as a want of confidence. The House divided on the question, "That the words proposed to be omitted stand part of the question." AYES, 35. Monk Allen, E. G. Herries Parata Allen, J. Hornsby Bennet Rhodes Houston Russell, G. W. Bollard Lang Buddo Smith, G. J. Lawry Lethbridge Collins Steward Gilfedder Thomson, J. W. Massey McGowan Graham Ward McGuire Willis. Hall McNab Hall-Jones Tellers. Hardy Meredith Carneross Haselden Thompson, R. Mills NOES, 10. Tellers. O'Meara Barclay Pirani Ell Hanan Fowlds. Symes Laurensen. Tanner Millar Majority for, 25. Amendment negatived. Mr. MILLAR (Dunedin City). - Sir, in saying a few words in connection with the matter now before the House -- namely, the financial state of the colony-I regret that the Right Hon. the Colonial Treasurer is not in his place. I had not intended to say anything until he was present, as perhaps it is possible that his views on the financial position of the colony and mine are somewhat different. However, I have been constrained to go into the matter just now. Sir. one of the last paragraphs of the Financial Statement is as follows :-- "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." Now, as one who has been somewhat accustomed to navigation, I know that when one sees the indicator placed at "Slow" one naturally comes to the conclusion that there is some danger ahead. The question, then, is. What is the danger ahead ? When the indicator is placed at "Slow" there is generally a reason for it - that the captain cannot see his way clearly ahead, or that he anticipates some danger ahead, or that he has run short of fuel. In this case, it strikes me, there is a little of the three, but principally of the last. The good ship "Finance" has been so long accustomed to have her bunkers filled up with fresh fuel that it has become natural for her captain to expect that he has only to go to the same port to

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the statement I have read, that the good ship "Finance" has already tried that port-the London Stock

Exchange-for fuel, and has been quietly told that there are so many orders on hand that it cannot attend to her at the present time. Now, the Hon. the Colonial Treasurer says that the reason the loans authorised have not been raised is owing to the unsatisfactory state of the London money-market. Well, when they found that the port from which they had always been accustomed to get their supplies could not supply them at present, they went to other ports. They have gone to the Australian Continent to get sufficient leaving a net debt on the 31st March, 1891, to keep the good ship going, an evidence of which is our last half-million loan. Sir, if that is the position, is it not the duty of every member in this House to go carefully into the whole position and see where we really stand ? I have endeavoured to do this, and any criticism I may make now is not made in any party spirit, but with a full sense of the responsibility which, I think, lies upon every member of the House. I admit that, as far as the legislation of the Government is concerned, it has been good. It has done a lot of good to the country. I admit graph stands at " Slow." The indicator says that a considerable amount of the moneys we have borrowed and expended have been expended on good useful purposes, and are likewise reproductive; but I think I shall be able to show that it is absolutely impossible for this colony to go on at the rate it has been going during the past ten years. In his Statement the Treasurer has carefully shown to honourable members the enormous increase of revenue in the different departments. He has likewise shown the increase of expenditure. It is perfectly true that for increased services increased expenditure is necessary ; but I think it is very doubtful if an increase is warranted to the extent we are now going. Sir, the right honourable member above purpose there is still £620,000 to be able gentleman in his Statement has quoted the late Hon. John Ballance, and I, too, would for another million for aid to public works, like to quote from that deceased statesman's Financial Statement of 1891. He says, -- "We have marched for twenty years at a not yet raised, in addition to half a million furious pace, too severe to last, and we have piled up obligations which should make sane men pause." Sir, if those words were applicable in 1891, able members will take together the amount when John Ballance was alive, I think that any honourable member who carefully studies the financial position to-day will admit that they are debt, they will find that the Government, since all the more applicable now. In 1891, the net debt of the colony was only some £36,000,000. It was because of this fact that we had borrowed of £16,836,316 of borrowed money, and rowed that amount of £36,000,000 during the forty-two years of the colony's existence ; but, placed side by side with that, we have had since 1891 £12,000,000 sterling, independently able member in this House must take, - for of unraised portions of authorised loans. I say, having assisted the Government in raising Sir, that those words are more applicable to-day than they were then. Honourable members may think that I am somewhat stretching the amount when I say that this is so, but I would ask them to carefully follow my figures which we are going is more than the colony can and to compare them with the financial documents if I am out in my estimate or not. As is shown by the Financial Statement, the net public debt on the 31st March, 1891, amounted to £37,359,157: but to be added to that are the liabilities against the different funds. Against the Public Works Fund there was an amount of £220,385; there was a liability against the Land Fund of £6,904 ; against the Consolidated Fund of £11,601 : and against outstanding deficiency bills £716,100; so that the amount has grown to £38,418,654. At the same time there were cash balances to the credit of the several accounts which amounted to £1,574,885, of £36,643,777. I would ask honourable members to compare this with the position as it was in 1901. I say, compare it after ten years of our careful and economical administration. I am sorry to have to say that on the 31st March, 1901, the public debt, according to the table, was You have to add to that public £48,557,751. works liabilities of £1,292,095, sundry accounts £39,146, and Treasury bills £700,000, making the net debt on the 31st March, 1901, £50,586,992, or a net increase of moneys actually borrowed, from the 31st March, 1891, of £12,660,000. Notwithstanding this, the tele. that we are going " Slow." God forbid that I should be in the colony if at any time the Colonial Treasurer in a fit of absent-mindedness should ring up " Full speed ahead." In addition to the £12,636,000, the net

increase to the debt, we find that the Government have authority for loans which they have not yet raised, under the Aid to Public Works Act of last year, to the extent of \$800,000. The honourable member for Bruce referred to this before. Under the Land for Settlements Act there is still ■281,000 to be raised for last year. Under the Advances to Settlers Act we are asked for another million this year. Of the three million loan for the raised ; and then this year again we are asked being a total of \$3,700,000, which the Govern- ment have already authority to raise, but have a year under the Land for Settlements Con- solidation Act of last year. So that if honour- of money which has been borrowed and that which is authorised to be borrowed, along with the consols which are included in the public 1891 up to to-day, have told this country that it was impossible to carry on without the with the telegraph indicator set at " Slow." I admit, Sir, that I must take a certain share of the responsibility, - as every honour- these enormous sums. Sir, I do not desire to shirk the responsibility for one moment, but I do say that if honourable members see for themselves, and are satisfied that the rate at

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beyond its means-it is the duty of every honourable member to speak out, independent of what the consequences may be, and that is what I intend to do to-night. Now, amongst other things which have been misleading us for many years has been the statement that the Public Works Fund has been aided to the extent of \$500,000 out of revenue. It is per- fectly true that in a certain sense you may call it revenue, but if you take the actual revenue for the ten years from all the revenue- producing departments, what do you find ? You will find this result - I do not wish to weary members by reading the whole of this return ; but as it has been ruled in this House by the Hon. the Speaker that unless you read the table completely you have no power to have it inserted in Hansard, I feel compelled to do so, and detain the 7.30. House for a few moments while I go through it. The following table shows the actual revenue which has been received for the ten years during which the present party has been in power :- d. S. 860,065 15 6 Credit balance, 1891 4,078,784 12 1892 9 1893 4,029,216 5 8 .. 1894 4,368,537 16 7 .. 1895 4,150,528 6 5 .. 4,272,179 18 1996 9 .. 1897 4,616,277 17 11 1898 4.895,051 1 3 .. 1899 5,083,133 6 1 .. 1900 5,489,554 16 1 . . 5,763,336 12 1901 6 \$46,746,600 12 5 The expenditure during that period was : Permanent and Annual Appropriations. d. S. 1892 4,192,947 6 5 .. 1893 4,153, 124 13 5 .. 1894 4,386,359 1 2 .. 1895 4,266.712 4 11 1896 4,249,980 15 3 . . 1897 4.483,950 13 1 .. 1898 4,602.371 14 10 . . 0 7 1899 4,858,511 1900 5,140, 127 14 1 1901 5.479,703 9 4 \$45,913,818 13 1 I might state that that expenditure covers the permanent and annual appropriations only. The total, as I have shown, is \$45.913.818 13s. 1d. If honourable members will subtract the expenditure from the revenue they will find that there is a credit balance of \$832,781 19s. 4d. And, to be fair to the Government, that surplus has arisen during the last four years. During that period we have been given to understand that there has been transferred to the credit of the Public Works Fund a balance of \$2.445,000. All that is left of the actual revenue claimed to be transferred is \$832,000. It is well for us, ! Mr. Millar and how much borrowed money. During the ten years they received from released sinking funds \$1,234,065. Surely, that cannot be called revenue when it is added to the perma- nent debt, and when it is exactly the same as if it were borrowed money. They received from the proceeds of the sale of debentures against accretions to sinking funds \$1,362,900. They also received from the sales of Crown lands ¥1,085.842, and they received from consols \$450,389 : the total amount being \$4,142,196 of extraneous aid, which in no sense can be called revenue, because every one of these sink- ing funds were tangible assets of the colony against the debt, but they have disappeared, and been added to the net debt of the colony. So that, instead of having transferred £2.445,000 out of the revenue, the most that they can claim under any circumstances is \$832.000. And, I say, because of the fact that honourable members have thought year after year that this transfer from the consolidated revenue to the Public Works Fund was what might be called a bona fide transfer of revenue, and could be afforded, we have not taken the trouble- and I blame myself along with

others -- to go so deeply into the financial position as we ought to have. I regret having to speak to-night in the way I am doing, as it is not a pleasure to me ; but no member of the House who has the welfare of the colony at heart can get up in his place and say that the colony is in a sound position; and this is the necessity that causes me to say this, because this is the time that this House and the country should know what the true position is, so that we might avoid a repetition of the troubles of 1887. According to writers on political economy, where the population of the country increases, the debt per head of population is supposed to decrease ; and during the ten years in which the present party have been in power, we find that while in 1891 the population of the colony was 634,058, in 1900 - which is the latest date I can take, because I have not taken the present census, as I could not then make the comparison necessary owing to figures not being available-the population was 758,616, or an increase during that period of 124,558, being almost equal to 19 per cent. of the population. Now, as I said, you would imagine that, with an increase of 19 per cent. of the population, the debt per head and the taxation per head would have been reduced. But what are the actual facts? In 1891 the debt per head of the population of the colony was \$59 11s. 10d., whereas in 1900 the debt had risen to £61 17s. 3d., an increase of \$2 5s. 5d. per head, despite the fact that there was an increase of 19 per cent. in the population. Then, let us go into the taxation per head, and see how it stands. In 1891 the taxation per head in the colony was \$3 10s., and in 1900 it was \$3 16s. 10d., or an increase of almost 10 per cent. You have, therefore, this anomaly : that while the population has increased the taxation also has increased. I would ask any honourable member to take the trouble to find out for himself what would

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tion of 1891. Why, Sir, it would be absolutely impossible for the colony to go on in the way we have been doing. It may be said that the colony has not suffered very much, and has been able to stand the taxation. That is perfectly true up to a certain point. We have been going through a succession of prosperous years, but one requires to look to the cause of that prosperity, and likewise ask whether there will be a continuance of that prosperity. And I think if one looks into that question he will find that there are reasonable grounds to doubt its continuance. I do not desire to be looked on as a pessimist in any shape or form, but I think that, as practical men endowed with common-sense, it is our duty here as representatives of the people to endeavour to look into the future as far as we possibly can. In 1891 we had, as members will remember, a big boom in Auckland which made things very good in the North Island ; and, although at that time things were not so bright in the South Island, latterly, at least after a year or two, things gradually improved in the South. and one important factor, in my opinion, for the prosperity of the colony was undoubtedly the inauguration of the Advances to Settlers Act. And why I say that is this : that the Advances to Settlers Act brought down the price of money all round, and people who had large sums of money lying invested, and were only getting a very small rate from the banks, looked for better avenues of investment, and one of the most promising at that time seemed to be mortgage on freehold land, and the result was that hundreds of men in this colony went and took advantage of the lowering of the rates of interest to borrow money for the purpose of building houses. That did not apply to any particular district of the colony, but all round, and therefore it made a lot of employment for all classes of artisan labour in this colony. But I ask honourable members, will they say that to-day there is anything like the amount of building going on that there was three years ago ? An Hon. MEMBER .- Yes. Mr. MILLAR .- An honourable member says "Yes." Well, I do not know where he is going to show it to me. It may in some of the outlying districts where an estate has been cut up; but I am talking of the colony generally, and I say that there is nothing like the amount of employment now that there was then. Then, again, so far as the South is concerned and the West Coast, there was a dredging boom, which likewise made things very busy, and that employed a large number of artisans. The outlook of that industry is not so promising as it was twelve months ago. Then, again, was it not a fact that the price of butter kept up to

what you might call abnormally high rates in the Old Country ? Was it not a fact that last year the prices realised for meat were higher than for a considerable time past ; and is it not a fact that the South African War made a fresh market for our oats ? These are staple products of our country. But I ask, does the outlook for the future promise as well as a retrospect that the rate we are going at, in adding to the obligations of this colony, is far in advance of the ability of the people to pay. If you look at the returns you will find that it takes every penny-piece to keep things going at our present rate of expenditure; and if we get one bad year, what will feel it soonest? Will the revenue of the Customs Department not fall off at double-quick time; will the railway revenue not fall off ? If there is a falling-off of the revenue we cannot reduce our obligations to the foreign money-lender, and what is the position we are in then? It seems to me that the Government are not looking into the future as they should be. It seems to me that it is time for this House to take things in hand, for it is not the Cabinet that are responsible to the country, but the Parliament. I trust sincerely they will take the lesson, if my figures are correct ; and if they are wrong I will be only too glad if they will show me that my statements in regard to the financial position of the colony are wrong. Take the interest-charges for 1901 -- I will not take those for this year, for they are considerably increased : the interest - charges are \$1,745,615. Some honourable members will doubtless tell me that that is a lower amount than we paid in 1891, and they will turn up those figures and apparently prove that we are paying less to-day than we were paying in 1891. But there are two things in the interest-charges of 1891-interest and sinking fund. In 1891 there were heavy charges on the consolidated revenue for sinking fund which do not exist to-day. Sinking fund is almost a dead amount to-day. If members will turn up Table 3 they will find that there are only three loans with sinking funds. One of these loans matures in 1907, and the longest matures in 1914. So that, whilst on the surface it would appear that we are paying less interest-charges, it will be seen that the interest - charges are very materially increased. Then, again, we are told, "Look at the increased assets of the colony ; we have borrowed a lot of money, but we have got assets against it." I ask any honourable member to show me a single free asset we have for our borrowed money. Instead of having free assets, we have reduced the amount of our free assets in the colony by selling Crown lands to the value of \$1,085,000. Then, if you take the advances to settlers, will any one say that is a free asset ? We merely act as a middleman between the money-lender in the Old Country and the borrower here, and the asset we hold is simply held as security for the debt we have incurred in the Old Country. Therefore, from the purely colonial point of view, there is nothing in it. The same applies to the Land for Settlements Act. We have been borrowing money, and added it on to our debt, and bought estates ; but will any one say that is a free asset? Till the loan is extinguished it is purely a cross- entry from beginning to end. But I will tell you a free asset that has been taken away by the Government. I refer to the loans to local bodies. Under the Loans to Local Bodies Act,

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money was borrowed for the purpose of lending to local bodies at a certain rate of interest, including in the repayment charges a sinking fund of 1 per cent. Now, whilst we borrowed money and lent it out to local bodies, we had a security against the loan borrowed in England; and therefore, from a financial point of view, we were quite secure, because the local bodies had to repay the amount borrowed, and the amount of sinking fund was handed over to the Sinking Fund Commissioner. But what do we find to-day? If we look at the public debt we find, out of a total of \$1,530,900 which has been borrowed under the Loans to Local Bodies Act, there is only \$109,100 standing against that account ; the whole of the balance has been inscribed into consolidated stock. Now, what is the meaning and object of converting it into consolidated stock? There can only be one object : to enable the Treasurer to take the sinking funds which had to be paid by the local bodies and use them as revenue, as he has done in the past. Therefore, when honourable members say that under the present Administration we have enormously increased the

assets of the country, I say, without fear of contradiction, we have reduced our free assets by £1,085,000, sale of Crown land ; we have reduced them under the Loans to Local Bodies Act by €1,421,000; and the advances to settlers and lands for settle- ment are merely cross-entries. Until such time as the indebtedness is cancelled there can be no such thing as free assets. I know it is quite easy for any member to point to the increase of wealth and the increase in the national estate, and all that sort of thing ; but I ask any honour- able member how many times they have read an account of a bankrupt's estate where the bankrupt has put the position in such a rosy way that you would imagine him to be per- fectly solvent ; but when it comes to a question of realisation, where does he come out ? It is very easy to say we have enormous securities as against the loans. I grant you all that ; I do not maintain that the colony is insolvent-very far from it ; but I maintain, under the method we are proceeding with at present-namely, requiring over two millions to administer the colony in addition to the revenue-we are living far beyond our means. What is the position, as I said before? I will give one more com- parison : Whilst the population of the colony has increased 19 per cent. in ten years, the national debt has increased by no less than 33 per cent. And I would ask again, whether we should con- tinue to go on at the rate we are doing at the present time? Then, Sir, in regard to this great security that we have in the lands which we have been purchasing, I would like to devote a minute or two to see whether we are so abso- lutely secure from a monetary point of view. I am not now talking about the indirect advan- tages to the colony. I thoroughly believe in the settlement of the land, but I am going to look at the position from a thoroughly practical business point of view, and I would ask honour- able members if it was not a fact that land- values have been hardening in this colony Mr. Millar during the last few years ? Is it not a fact that land-values have been hardening because of the price produce has been bringing ? And is it a wise policy-would any private individual go and buy if he thought it was at the top of the market ? That is the position to-day : that we are buying lands in this colony now at a price which can only pay provided products keep up to present-day prices. If one looks round the world they will find that the staple products of this colony are going to have a harder time in the future than they have had in the past. Let us take Australia, for instance. At the present time Victoria is exporting over one million pounds worth of butter; and in New South Wales, where a few years ago they did not milk five hundred cows, they are now milking close on fifty thousand. That condition of things is not confined to any one portion of Australia, but, from the evidence that we got over there when I was on the Federation Commission, it was general throughout the length and breadth of the whole of Australia. Everywhere they are gradually increasing the output of the very same things we produce. In New South Wales alone, during the last ten years, more land has been put down in agriculture than in the previous hundred and twenty years. And what must be the inevitable result of that? Year by year not only will our market be shrinking in Australia, but we will find Australia entering into competition with us in the Home market ; and, according to the evidence we have, the Argentine is going to do the same thing. If that competition takes place, which it must do -it is inevitable-then I say the price of our produce will be bound to be affected, to my mind, as against the producer, and the moment it comes to that pitch then, Sir, it is impossible to pay the rents on their present values. That they can do so now is admitted, but, I say, is it wise under the present conditions to go on pur- chasing land if we believe it to be at the top value? Then, again, there is another factor which is going to affect us, and it is-as honour- able members know-that the price of money is hardening locally all round. Now, with the price of money hardening all round it simply means that the Government have to give a higher figure for their money or they have got to do with a little less land for settlement. It will mean this likewise, that money will not be available for manufacturers now to go and extend their business as they could if the rates remained low. It will prevent many persons from going in for many things which at the former rate would have paid, but which will not pay at the higher rate of interest. Mr. PIRANI .- There are twenty-two millions in the banks. Mr. MILLAR. - Yes, there are twenty-two millions in the banks, and

let any one go and ask for an advance, and they will find that the rates have hardened since last week even. Therefore, I say that the outlook is anything but promising, and we ought to take it as an indication and shorten sail at the present time. I know it will be most unpopular, but I say it is not a question of whether it is unpopular or

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do for the country, and in my opinion we must do it. If we do not do it the people must do it for us in the next few years, because I am confident, when they once realise the position we are in at the present time, and the position we are drifting into-every year by year finding a big increase of expenditure and also finding an application year by year for loan-money-they will think it a peculiar thing to hear Ministers talk about having granted concessions of half a million when we have borrowed a couple of millions to grant these concessions. Is that business? And yet that is what is taking place every year, and we find the Government are taking credit for the concessions given to the people of this country. If what the Premier stated is correct-that every million loan means 10d. per head tax on every man, woman, and child in this colony-then he has been successful in putting on taxation to the extent of 14s. 4d. on every man, woman, and child. But I do not think the people of this colony, at any rate, are prepared to stand much more of it, especially in view of what we have seen. Sir, as far as the financial position is concerned, I do not think I can say much more about it. I have endeavoured, without feeling, to analyse the position as it appears to me. I do not blame the Government for the whole thing. I say that every member in the House who has assisted them has to take his share of it. But what I do blame members for is that, if they really go into the matter, and see that what I say is correct, they now continue to assist the Government in their excessive borrowing. they must then take the responsibility of their actions. Then, Sir, I would also like to say a word or two in connection with the Coal-mines Commission. When the matter was before the Committee last year, only one mine was in question, and I was fortunate enough to get the Commission extended to deal with all the mines in the colony. Sir, I did that with a full knowledge of what I asked for. I did it with a knowledge, too, that the Government had had the matter put before them during the previous year, and no action had been taken. Sir, the report of this Commission is in my hand now, and I am going to quote two or three paragraphs from that report in connection with certain mines. The first one is - "We are of opinion that on the whole case made for the miners, who were ably represented by their secretary, Mr. Donaldson, they established these facts :- (1.) That there are several fires now existing within the mine, one of which is alongside the main haulage-road, and, though bricked off, is evidently still of considerable power, and would, if not continuously and effectively watched, be a source of danger. (2.) That there is in the mine an amount of fire-damp and black-damp which, in the absence of better ventilation than exists at present, is a source of danger. (3.) That the means of escape in case of disaster have been insufficient for safety. These were the main charges made against the management, and they were, in our VOL. CXVIII .- 3. terrible explosion which occurred in this mine some twenty-two years ago, in which a large number of lives were lost, we think the Miners' Union were thoroughly justified in bringing them forward." That is the report on one mine. I will turn a little further on, and in connection with another mine I find this :- " We entered the mine by the only air intake, and crawled along it, chiefly on our hands and knees, for a distance of between 9 and 10 chains. This roadway is made through ground where the pillars have been removed without leaving sufficient support." Mr. J. ALLEN,-That is not true. Mr. MILLAR .- I am only quoting from the report. I do not vouch for the accuracy of the statement. This is a paper laid on the table of the House-a report on the mine :- "The props and timber overhead are breaking under the strain, the floor is coming up, and the sides are bulging. It has all the indications of a place that may close in at any moment. This intake leads into the main workings, which are on the dip from a main haulage-road, and are dependent entirely for ventilation upon the air intake. In every working-face we visited the air was deficient, and up the north side it was still more seriously so. The Inspector of Mines,

who was present, could not obtain any reading from his anemo- meter. Dangerous and unhealthy as this condition of things is, the peculiar and immediate danger arises from the strong possibility of the intake closing, and the air-current, poor as it is now, ceasing altogether, when the black-damp, of which there is a considerable quantity in the mine, would probably overpower the men before they could make their escape." An Hon. MEMBER .- Where was that ? Mr. MILLAR. - I will not mention the name of any mine. I am only quoting from a report :- " We were very unfavourably impressed with the condition of the whole mine. Broken sets of timber were not infrequent, the roof was ragged and apparently neglected, and there was altogether a want of care for the lives of the men employed. The quantity of timber set and in hand appeared to us to be insufficient for safety. The chief ground, however, for representing this now to your Excellency is the apprehension of some grave catastrophe through the want of proper ventilation. We strongly recommend that immediate steps be taken to compel the owners of the mine to put it in a condition of safety." Then I turn to another report :- "The mine itself appears to be well managed, but is sometimes deficient in ventilation." Any one may go through those reports, and I am sorry to say there are only one or two mines that come up to what one might call a proper condition for men to work in. Now, I ask the House and I ask the Government, Is it right that men who are engaged in an industry such as this, an industry the product of which is necessary for every one in the colony, should

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Government known nothing about the 8.0. matter I would not have said much about it; but to my certain knowledge representations were made to them six years ago that the Inspectors had far too much work to do, and that in consequence it was absolutely impossible for them to give that inspection to the mines which is due to properly safeguard the lives of the miners. Notwithstanding this, whilst they have gone on spending hundreds of thousands of pounds annually on our railways, roads, and bridges, they have never yet appropriated as much as a few thousand pounds to provide for the proper inspection of our coal-mines. According to an account which has reached us from Greymouth, and which I have every reason to believe is true, the manager of the mine in which the great accident happened some years ago admitted he had allowed men to go into it with naked lights, and yet the Inspector could know nothing of this. Sir, if the Government do not make proper provision this year to fully protect the lives of our coal-miners, then I say it will be a criminal act, and on their shoulders will rest the responsibility for any catastrophe that may happen. As members will see from the report by the Commission, hardly a mine is in a position it ought to be in. A very simple method could be adopted to provide a better system of inspection. A retainer should be given to some miner employed in the mine to act-at every coal-mine in the colony. Power need not be given to those appointed to order anything to be done. All that they need do would be to give a report on the working of the mine every month ; and they should be empowered to telegraph for the Inspector in the event of anything being wrong. By that means permanent Inspectors would be watching the safety of the miners always. I am aware that at the present time an inspection can be made on request by two employés. That, however, cannot be effected, because men rarely care to put a report into a manager's book, for the reason that they might at any time be dismissed for simply stating what is true. If the retainer were, however, given them, they would be placed in an official position, and an independent report would be the result. I do trust the Government will take this matter in hand seriously this session, with the view of doing something in the direction of safeguarding the lives of those men. Now, Sir, I would like to say one or two words in connection with the Bank of New Zealand and the preference shares. Here is another case of the assets of the colony having been reduced, because we borrowed half a million to purchase preference shares in the Bank of New Zealand. The interest was to be paid by the bank, and the bank was to pay the principal also, and so long as that position remained the colony was not affected to any extent. We find, however, that during the past few weeks this half-million has been paid back by the Bank of New Zealand. This means that until they mature- in about three years,

I think the colony will Mr. Millar those shares instead of the Bank of New Zealand. We likewise find that the Consolidated Fund has absorbed this half - million, so that the probability is that it has been added to the permanent debt of the colony. In my opinion, there is a poor chance of the Colonial Treasurer ever paying out of the Consolidated Fund the cash received for the preference shares. I would ask, What sort of an heritage is the present Treasurer leaving for his successors ? From every corner that one can possibly imagine he seems to have absorbed every penny-piece of available cash, and the man who follows him will have some very dirty and unpleasant work to do, in my opinion. As for those preference shares, when the Bill was before the Committee I opposed the clause in toto that the bank should be given power to repurchase those shares ; because if it was good enough for the colony to pay half a million for shares in the Bank of New Zealand, which was in a bankrupt condition, it was good enough for the colony to hold them when in a state of prosperity. But we were overruled on that Committee, with a result that was inevitable- namely, that they have got the shares back. And yet I hear members wondering what raised the price of the Bank of New Zealand shares. Could anything else happen than for the price to rise when the capital was reduced by 50 per cent. ? The shares became of double value the moment they paid this half-million. And now we hear talk about the payment of a dividend next year. I should like to know what right they have to pay a dividend while they are indebted to the colony to the extent of two millions? It is those two millions of the Government money which is enabling them to make the enormous profits they are making at the present time. And yet, forsooth, they are going to wallow in dividends, and pass on these two millions for the colony to carry for all time. If I am fortunate enough to have a seat in this House in the year 1903 I do not think a Bill will be rushed through as quickly as it was on the last occasion. We have had fair time to look round the whole position. We know that the bank is in no danger, and that it is doing well; and it will be, then, the duty of this House to make such terms as will be in the interest of the colony, and not entirely in the interest of the shareholders. begrudge dividends going to the shareholders when they are entitled to them, but I do not think the colony should allow dividends to be paid until we see that the institution is making some provision for paying off some of its liability to the country. I do not agree with those who urge the abolition of the Assets Board. It must be remembered that we have a large liability in connection with the Assets Board, and if we attempt to force them to put their lands on the market it simply means that, if the sales of those lands do not go higher than the values estimated by Mr. Foster, the difference between that and the book values will have to be paid by this colony. I would rather see two or three or five thousand a year ex-

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are really doing good work and making sales at a fair profit, than see the thing wound up suddenly and our having to face a very big loss. Now, just one or two words in connection with the San Francisco mail-service. I should not have alluded to it in this debate had it not been for the two Auckland members, Mr. Napier and Mr. Witheford, having had something to say in connection with it. I have asked for a return which I have been promised at a later date, and which will enable us then to discuss this matter thoroughly and fairly, and I do not intend to say very much more about it at the present time. What I do say is this : that when people say we are not subsidising the San Francisco mail-service they say that which is not correct, because, from the information I have, the Postal Union rates of this year would be 2s. 10d. per pound, whereas for the San Francisco mail-service this colony has to pay over 14s. per pound. An Hon. MEMBER .- NO. Mr. MILLAR .- I have the figures here in detail. Sir J. G. WARD .- 10s. 8d. per pound. Mr. MILLAR .- I say the San Francisco mail-service costs 14s. per pound, as against 2s. 10d. I do not wish to imply that the San Francisco mail-steamers are getting 14s. 5d. per pound. They are getting 10s. 5d. per pound, as against 2s. 4d. The postal rates are on a sliding scale, and those are the figures which I have given. But what is taking place with this mail line that we are asked to subsidise? The bootmakers are complaining that American boots are competing with the English and colonial article,

and yet these subsidised San Francisco steamers are bringing American-made boots into this colony. Prison-made doors are also coming in. It has been said that we are prepared to shed the blood of our sons in order to maintain the integrity of the British Empire ; but the British Empire is apparently not good enough to get our goods from, and we have to go to America, and have those goods brought to the colony by the San Francisco mail-steamers. We have to go to America for railway engines and carriages, when we know that they can be turned out equally well in Australia. Sir J. G. WARD .- No. Mr. MILLAR .- The evidence given before the Federation Commission by the firm of Martin and Co. was that they were prepared to take a contract for the whole of the railway engines and carriages. An Hon. MEMBER .- We would have had to wait two or three years to get them. Mr. MILLAR. - I am not throwing any blame. I desire simply to point out that the Government profess that they desire to encourage local industry, that they are in favour of a Pacific cable-an "all-red " line - and sundry other things of that description, and that there is a patriotic and British-blood sentiment running through our policy; but when it comes to a question of getting some friends outside this House, expect from him an article which could just as well be got from see what action is taken. For instance, there is paint. The Union Shipping Company use locally made paints, but the Government send their orders elsewhere. Notwithstanding the fact that the saddlery manufactured in this colony for some of the contingents which went from here to South Africa was highly spoken of by the authorities, yet it was announced lately that all the saddlery required for our local forces had been ordered from an English firm. Those are concrete instances of what has been done in this matter. I trust that this practice will cease. We have any quantity of men in this colony who are able to do such work as well as any one outside the colony, and I think the Government expenditure ought to be kept as much as possible within the colony. I have simply to say this, in conclusion : that I believe in the words of the late John Ballance, which I quoted in the earlier part of my speech-that the position of the colony to-day warrants any sane man pausing and considering the position ; and I believe, as he said, that self-reliance is the true policy to make this into a great State; and I think if we relied a little more on ourselves-reduced expenditure-instead of relying entirely on the London money-market, it would be a great deal better for the country. I think the Government ought to come forward and say which are the most important works in the colony, and, whether it pleases or displeases, they ought to say that is the work which should be done before any other work, and then the whole of our attention ought to be concentrated on that work to make it reproductive. Any business-man would concentrate the whole of his attention on making any investment he has reproductive, and I ask the Government to do the same thing, instead of frittering away thousands on a little piece of railway-line here, and bits of roads there. The whole of their attention ought to be concentrated on certain given lines, and on certain roads that are of the greatest importance in opening up the country, and I do trust that the Government will, for the sake of the colony we represent, for the credit of the party that we have always been members of, pay attention to what is said ; and for our own self-respect, and for our own reputation, if we believe that the condition of this colony is what it is, I trust we shall with no uncertain voice let the Government know that the time has arrived when they will have, in respect to expenditure, to go slower. Mr. FOWLDS (Auckland City) .- I should like to add a few words to this important debate. It is not my intention to spend long in referring to what has been said by previous speakers, but there are one or two remarks I would like to touch upon before going on to deal with the Statement in general. I was sorry to hear the speech we had last night from the honourable member for Parnell. Of course, that honourable gentleman's opinions on prohibition and Prohibitionists are well known to the members of this House, and we, along with his

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styled by that name. I felt sorry, however, last night that he did not confine his abuse to the home-made article, and that he should have gone out of his way to make disparaging remarks about a very distinguished visitor who has recently been here. I refer to Mr. J. G. Woolley. Those who had the pleasure

of meeting that gentleman in this country must have come to the conclusion that he was a gentleman in every sense of the word—a true Christian gentleman, and a citizen of the great American republic of which even that great republic might very well be proud. The whole gravamen of the offence this gentleman committed in the eyes of the honourable member for Parnell was that he made a speech at a breakfast given to him in Auckland in which he referred in terms of approval to the friendly relations now existing between the Maori people and the Europeans in this colony, and he contrasted it with the time when the Maoris served up fresh missionary for breakfast. Now, it was a very slight slip for a visitor to make, one who had just arrived and who had only been a day or two in the colony, and I have no doubt that the mistake was corrected at that particular time, and therefore no harm would be done. But it shows how hard up the opponents of that movement are when they would catch upon a little matter like this and try to make so much capital out of it as my honourable friend the member for Parnell did last night. We had an able address this afternoon from the honourable member for Wallace, and one remark which the honourable gentleman made with regard to the reductions in the Customs duties that were made last year I expressly wish to refer to. The inference was that the benefit did not go to the consumer. Now, a similar statement to that was made in this House some time ago, and I took the trouble to write to one of the leading grocers in Auckland for a list of prices before and after the remission of the Customs duties ; and I also wrote to one of the leading grocers in Wellington, and I found that practically in every case the people were getting the full benefit of the remissions that were made last year. In the case of kerosene, which was referred to by the member for Wallace, those who know anything of the matter understand that the market during the past year has been somewhat disturbed, and that disturbance was a good deal caused by the way in which we reduced the duty last year. Several firms here who had received large shipments at the heavy duty were compelled to export their stock to Australia in order to get a rebate of the duty, there being a shortage in supplies over there. These shipments were retained, and not re-shipped here excepting at an advanced price. I do not wish to refer to that point longer, because to many it is so clear that the law of competition necessarily secures to the consumer the benefit of every reduction that we make in the Customs duty of this country. I will not refer particularly to the speech of the honourable member who has just preceded me, Mr. Fowlds will be traversing some of the points raised by him. In a condition where parties in Parliament are evenly divided, the orthodox thing for every member of the Government party is to go on the defensive, and make the most of the strong and good points in the interests of the party to which he belongs. But at present we have practically no Opposition in this House—at any rate, they are numerically very weak, and during the course of this debate they have for the most part lost their tongues. I am sure the country looks to every member of this House, whether he belongs to the Government party or opposes it, to look critically at the doings of the Government, and point out wherein they are going wrong, as well as commend them for what good they have done; and I hope I shall be able to do this in a friendly spirit, without bitterness or malice. And right here I want to join with those other members who have complained very strongly about the absence of certain reports which are absolutely necessary to a sensible and full discussion of the finance of the colony—reports, for example, of such important branches of the Government service as the Railways, Post and Telegraph, Land, and Mines, and particularly that paper known as B.-1, showing in detail the expenditure and revenue of the colony. It is possible a reasonable excuse can be furnished for the failure of the supply of these departmental reports ; but, as five months have gone since the end of the financial year, there is no reason why B.-1 should not be laid on the table of the House, and I say it is quite impossible for any one to rationally discuss the financial affairs of the colony in the absence of these papers. I look upon the Right Hon. the Premier as a man of great ability, a man possessed with natural ability, with the advantage of an experience extending over a quarter of a century in this House, where he has been year after year familiar with the accounts of the colony ; he has also had ten years in the Cabinet, and this is

the sixth Financial Statement he has presented to Parliament, and yet, with all that ability and with all those advantages, I do not believe the honourable gentleman himself could discuss in detail intelligently and without making mistakes the finances of the colony in the absence of the papers I have referred to. Then, if any one attempts to criticize them and falls into a mistake we shall have the Premier coming along to wind up the debate, and accuse us of being so ignorant that we are not fit to represent the people, or else that we had wilfully misrepresented the position of affairs, as he did the other night on a similar occasion. In addition to the supply of these reports, I say something ought to be done to simplify the way in which the accounts are presented. My colleague the senior member for Auckland City last session asked the Hon. the Premier a question on the subject, but got very little satisfaction. I have here in my hand a simplification of the accounts of the City of Auckland, arranged by Mr. Kayll, an accountant in that city, which

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not consider this a satisfactory result-the in- enables any one with an elementary knowledge crease of the indebtedness by £94 1s. 7d. per of figures to see at a glance the position of the head of the increased population. With refer- accounts of the Council, and also how they com- ence to the revenue and expenditure, in 1896 pare with the previous three or four years. If a similar system was adopted with the colonial ac- the rate per head was £3 7s. 1d., and the rate counts it would very much tend to simplify then for last year was £3 19s. 6d., an increase of 12s. 5d. per head-that is, the revenue from and make them understandable by the people. Then, the condition confessed to by the honour- taxation. Taking the total revenue from all sources, the rate per head in 1896 was able senior member for Dunedin City could not £6 10s. 10d., and for 1901 £7 14s. 4d., or an exist-members saying after five, six, seven, or eight years that they had been misled regarding increase of £1 3s. 6d. per head. That is & the position of the finances. If it was desired very large increase in the amount of taxation that the people should readily understand the per head during these few years. The ex- penditure, of course, increased in like ratio. position some such simplification should take I notice from the Budget that it is proposed to. place ; but, if it is intended to confuse and make transfer another £500,000 from the consolidated it difficult to understand the finances, I do not revenue to the Public Works Fund. This makes think a better system could be inaugurated during the last ten years \$2,205,000 that has than that at present in use. Sir, it is not my intention to endeavour to criticize in detail been so transferred in aid of the various classes of public works. Now, I disagree with a good the figures of the Budget ; I prefer rather to deal with general principles, taking some of many members of this House who condemn the the outstanding features of the Public Ac- reduction of the Customs duty made last year. counts. First, I should like to congratulate I say that it is very unsatisfactory for the large the colony and the Colonial Treasurer on the masses of the people who are contributing the prospect of being able to meet the abnormal bulk of this revenue that it should be taken from Customs to be spent on public works. expenditure of this year without recourse to First of all, who is it that finds this money from further taxation. At the same time I cannot which these transfers have been made ? It is help agreeing with a great deal that has fallen from previous speakers, and especially from the the landless in the community as well as the landed ; and who, I ask, gets the benefit of this honourable member who preceded me, that we have been living in something of a fool's money ? Only the landowners of the colony. This money is spent in making roads, bridges, paradise during the last few years, and unless railways, and other kinds of public works, and there is a reduction in our expenditure we shall have to face a day of reckoning before very long. every pound of it so spent creates a pound's The honourable member for Parnell, in speak- worth of land-value, in which the large majority ing last night about the amount of borrowed of those who contribute do not participate money, emphasized the fact that we had assets to the extent of one penny. Now, there was created by the expenditure of that money. It a return laid on the table of this House showing is true that every pound

honestly spent on that the total number of landowners in the colony is 110,805; but amongst that number public works creates a pound's worth of asset somewhere ; but I want to ask, Who is in possession- there is included a large number of wives and children of the assets ? The largest amount of the children belonging to the one family, so that I think it would be a very liberal computation if borrowed money spent in the country, and also that taken from revenue, has gone to create land- you said there were about 73,000 families in values ; when you make roads, bridges, and this colony interested in land-values. If you railways you create land-values. Now, are multiply that number by five to get the number those land-values which have been created by of persons, you will find not more than 365,000 the expenditure of public money in the hands of people in the colony out of 772,719 are in any way interested or benefited by an increase the Government, who have to pay the interest? in land-values, leaving 407,719 people-more No; they are in the hands of some one else. But I shall probably deal with this more fully than half the population-who do not get one later on. Coming to the question of the general single penny of advantage by that expenditure- prosperity of the colony, as indicated by the figure, but yet who are compelled to contribute buoyancy of our finance, I want to make one probably more than half the amount through or two comparisons, somewhat different from Customs duties and other taxation. It all those already made. I find the population of goes straight into the landlords' pockets. This this colony has increased from 1896 to 1901 means that since the year 1892 the Colonial by 58,557 ; this includes the natural increase, Treasurer has abstracted from the pockets of the landless portion of the people of this colony so that we have got comparatively few people by immigration. The public debt has also considerably over a million of money, and has handed it over to a privileged few in increased in that time by £5,508,971 ; so that the result is for every single person added to the community. This money has been as the population, including those added by natural much stolen from these people as if the Treasurer had sent round agents and taken it increase, we have added to our debt a sum of £94 1s. 7d. The amount of the public debt per out of their homes when they were absent at their business. They do not know they are head of the population in 1896 was £60 5s. 7d., paying it ; but the fact remains they have paid and in 1901 it had risen to £62 16s. 9d. If I it, and it is an amount which benefits only the were owner of a large estate which I handed landlords of the colony. I contend it is time over to managers to develop and settle I should

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for us to reverse this order. and I wonder what a howl there would be in this colony if, instead of making that present of half a million a year from the landless to the landowners of the colony, we collected half a million from the landowners of the colony and made it over as a present to the landless in the colony. Therefore I contend that the proposals of the Government for the coming year would have been more satisfactory if they had proposed to increase the land-tax by 1d. in the pound and make a reduction in the Customs duties to the amount that 1d. in the pound on the land-tax would produce. By so doing they would only add £294,583 to the taxation of those who are in possession of a very large portion of the wealth of the colony, and who would also be participating in the benefits that would come from the reduction in the Customs duties. Now, some honourable members object to any proposal to add a further tax on land-values ; but, even if we put 3d. in the pound on land- values, land as an element of wealth would not then be contributing anything like its fair share of the taxation of the colony. When I discuss this matter with honourable members and with others outside the House I generally find they say, " Land ought to pay a fair share of the taxation in proportion to other forms of wealth." Mr. MASSEY .- Hear, hear. Mr. FOWLDS .- The honourable member for Franklin, who I know disagrees with me largely in what I am saying, says " Hear, hear." Well, I want him to hold on to that "Hear, hear," and I intend to show conclusively that land as an item of wealth in the country does not pay anything like its fair share in proportion to wealth in other forms. Last year the Registrar- General's estimate of the total wealth of New

Zealand was £217,587,481. A return laid on the table of the House, which return I have already referred to, shows that 37,391 owners were the contributors of the land-tax, and that these 37,391 owners owned land-value estimated at £96,662,493. I want here to say that this return includes land and improvements, and I should have much preferred if it had been possible to deal with the unimproved value only, but although a return was ordered three years ago by this House, with the object of furnishing the required information, it has not been supplied, and therefore the only figures I can deal with are those that were laid on the table of the House lately, and which include improvements. Now, last year there was contributed by the holders of wealth in other forms, who owned wealth estimated at £120,923,988, the sum of £2,749,307 towards the taxation of the country, while the owners of land-value worth £96,662,493 only contributed £294,583. Mr. MONK.- They also contributed under the Customs revenue. Mr. FOWLDS.- If the honourable member for Waitemata will only possess his soul in patience I will deal with that question and make the matter so clear that even he will understand it. Now, if they had paid at the local authorities. I will leave that subject Mr. Fowlds the same rate as the holders of wealth in other forms, we find that, instead of paying £294,583, they would have paid £2,172,093; in other words, they paid short of their fair share by £1,877,510. My next note is that I may be told, as I expected I would be by the honourable member for Waitemata, that they also pay Customs duties, and I say, "Yes; but do they not also own a fair share of the other wealth that is referred to?" In addition to their land-values they are also, every one of them, the owners of a large proportion of the balance of the wealth of the colony, and, even taking into consideration that they pay Customs taxation, they only pay their fair share in proportion to what they own of wealth in other forms. I want, however, to go further, and give them credit for paying their fair share of the Customs taxation, and then see how the account stands. Their number is 37,391. Giving them the same average per head as the rest of the population, it would amount to £132,894 of Customs duties. Let us deduct that from the shortage they contributed in proportion to other forms of wealth, and it still leaves them short of their fair share of payment by the sum of £1,744,616. I have another calculation worked out to satisfy the honourable member. It may be said, "Oh, yes, those people who own the land spend a lot more in Customs duties than the ordinary people." I will now assume that they pay double the amount of Customs duty that the rest of the community pay. Mr. MONK.- Do they pay road-rates? Mr. FOWLDS.- I will come to that presently if you will only take it easy. Assuming that they pay double the amount of Customs duty per head that the rest of the population pay, that would give £265,788. Deduct that from their shortage and there would still be a deficiency of £1,611,722 per annum. In the face of these figures, would the honourable member for Waitemata still say that only fanatics, fools, and rogues would contend that the tax on land-values should be increased? What does the honourable member for Franklin say? He said "Hear, hear," when I made the proposition that land ought to pay a fair amount of taxes in proportion to other forms of wealth. Those who defend the present system say that land pays a lot by way of local taxation, and on this question of local taxation I would point out that English Judges have decided that the tenant who pays the rent pays the rates. Any one with the slightest knowledge of economics knows that, as far as local taxation falls on houses or other improvements, it is not paid by the landowners as landowners. But what about the balance? Is that paid by the land-owners? Yes, it is; but they get full value and full service from the expenditure of the taxes which recoups them for anything they pay. Any local expenditure for municipal purposes or for roads in the country creates an equivalent in land-values, and therefore, when the landowners pay the proportion that they do of local taxation, they are receiving it back yearly in the value of services rendered by

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member for Waitemata is satisfied. I contend that not only is the collection of the revenue unfair in its incidence, but that the expenditure also is unfair in its incidence, especially between the North and the South Island; and the further north you get the worse it becomes. It is bad between the North and the

South Islands; it is also unfairly in favour of the southern portion of the North Island as against the Auckland Province. Even when you go to the Auckland Province you find that that part of the province north of Auckland City has been more unjustly treated than any other part of the Auckland Province. In passing I want to show that, as far as contributions to the revenue are concerned, the North Island has contributed more than half. The population of the North Island is 390,579; the population of the South Island is 382,140, showing an excess of population in the North Island of 8,439. The imports for last year were: In the North Island, £5,882,779; and for the South Island, \$4,675,655, or a surplus for the North Island of \$1,207,124. This shows that under the head of "Customs" the North Island must have contributed a good deal more than half the revenue of the colony. I find, also, the land-values of the North Island were £71,680,952, while for the South Island they were £66,910,395, or a surplus of land-values in the North Island of £4,770,557. Now, under the head of "land-tax" it must be clear that the North Island is paying more than half the revenue that comes from that source. It has been impossible for me to get the returns of the income-tax, though I tried to get them from the Income-tax Department; but, if you got the returns for the North and South Islands, I will be bound to say that even under that head the North Island will be found to be contributing more than the half. Now, Sir, how has the money been expended? I find from the table annexed to the Public Works Statement of last year that up to the 31st March, 1900, the latest returns available, there had been expended on the construction of railways £14,379,792 7s. 10d. Out of this the South Island had received £8,094,174 16s. 3d., and the North Island £6,285,617 11s. 7d., leaving an excess for the South Island of £1,808,557 4s. 8d. Apportioning the expenditure on rolling-stock in the same ratio as the cost of construction, I find that the South Island would have \$1,402,896 14s. 7d., and the North Island £1,089,943 5s. 6d., a surplus for the South Island of £312,953 9s. 1d. If I add to that last year's appropriations and the additions to open lines, I find that the total for the South Island under all those heads is £9,963,156 10s. 10d., for the North Island £7,715,560 13s. 9d., or an excess of expenditure in the South Island of £2,247,585 13s. 9d. Now, when I mentioned these facts or similar facts to honourable members of this House on a previous occasion I was told, "Oh, yes, that is all right enough, as far as the railways are concerned; but you have such stacks of money for roads and bridges and other kinds of works in the North." But, Sir, I have taken the trouble to go into this matter accounts stand. One or two of the accounts appended to the tables of the Public Works Statement I was not able to analyse, because there is no distinction made between the expenditure in the North and South Islands. Take, for instance, the amounts spent on telegraphs, or the amounts spent on lighthouses and public buildings. I was not able to analyse them, because I could not ascertain the localities in which those works were constructed. Mr. HALL-JONES.-- Take roads. Mr. FOWLDS.-- I have them ready for you. Including roads, roads on goldfields, water races on goldfields, and harbour-works, I find under those four headings the North Island has had \$3,097,166 8s. 4d., and the South Island \$2,567,027 16s. 10d. There is a surplus there for the North Island, as you will observe, of £530,138 11s. 6d. But let me summarise this, and let us see how the accounts stand as a whole. There was an excess in favour of the South on railway construction of £2,247,588, an excess in favour of the North on these other heads of £530,138 11s. 6d., which leaves a deficiency still owing to the North Island of £1,717,450 2s. 3d., and if I were able to analyse the other accounts I have no doubt I should find the same unfair treatment of the North. That is pretty bad, but what about the intentions of the Government for the future? We can only judge of their intentions for the future by their recent conduct. If I take the result of last year's work, I find that, including the amount spent on railway construction for the year ending the 31st March, 1900—which is the last return I can get—with the appropriations of last year, the result is as follows: South Island, £480,420 16s., and the North Island, £304,699 18s. 11d. That shows the inequality of expenditure is still going on at the rate of £175,720 a year. We thus get a little insight into their intentions for the future. Under the Railways Authorisation Act of last year provision was made for

the construction of 120 miles of railway in the South Island and sixty-three miles of railway in the North Island, a further deficiency of fifty-seven miles for the North Island. The total expenditure works out in this way: The average expenditure on railways per head of the inhabitants of the colony amounts to £18 12s. 2d. The South Island has had per head £21 3s. 7d. and the North Island has had only £16 1s. 10d. .. while the southern portion of the North Island outside the Auckland Province had, of moneys so expended in the North Island, £17 3s. 1d. per head of the population, while the Auckland Province had only £14 15s. 11d. And I venture to say, if we were able to make a similar comparison with reference to the people living still further to the north of Auckland, the discrepancy would get worse and worse as you go north. I would ask, How is it that this unequal expenditure between the people living in different portions of the colony comes about, and how is it continued? I say that the whole of this injustice comes through the preponderance of South

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Island influence in the Ministry, in every branch of the public service, and in both branches of the Legislature, and until we get some radical reform in that direction we are not likely to get justice done to the North Island. Take the position of the Cabinet : there are six Ministers from the South Island and only two from the North Island ; in other words, each Minister from the South Island represents only 63,690 people, whereas each Minister from the North Island represents 195,289 people. Now, where is the justice in such representation as that ? pass on next to the other branch of the Legislature. I find that the Auckland District, with a population of 175,938 people, has seven representatives in that Chamber; in other words, each representative from there represents 25,134 people. Wellington has five representatives to 141,354 people. Each representative from that district represents 28,270 people. Canterbury, with 143,041 people, has seven representatives, or one to every 20,434. But Otago, with a population of 173,145 people - less than the population of the Auckland Province-has thirteen members, or nearly double those of the Auckland District ; and they only represent 13,318 people each. But taking all the other districts, including the West Coast, there are 139,241 inhabitants, and they have got thirteen representatives, or an average of 10,710 to each man. Now, taking the division between the North and South Islands, we have eighteen Councillors in the North Island, representing 390,579 people, or an average of 21,698 for each Councillor. The South Island, with 382,140 inhabitants, has twenty-seven Councillors, or one for every 14,153. This is excluding the Maoris, who mostly live in the North Island. Now, I want to get these facts well emphasized and pushed home to the members of the Ministry, so that in future something will be done to remedy the very grave injustice that has been perpetrated in the past. I wish to refer for a little while to the question of land for settlement. The honourable member who has just preceded me referred to the fact that at the present time land-values were at a very high point : in fact, that they had reached top prices for many years to come ; and personally I believe that a good deal of waste has taken place as far as this colony is concerned in devoting so much money to buy up estates that were already in cultivation to the neglect of lands that are lying ready for occupation, some of them lying near to railways and good roads. We have heard very much in this House from time to time about the wail of the back-blockers. I am going to point out to the Government a large tract of land, as good as any in the colony, within a very few miles of a railway, and with a good road running past it, and that condition of things with the road made has continued in existence for years without any result, or with no apparent attempt to open the land for settlement. With reference to the high price for land, everybody in the House and throughout the country complains that land-values are too high at the present time. I notice the chairman of the Wellington Chamber of Commerce only yesterday, referring to one of the drawbacks of this colony in its competition for the markets of the world with its produce, said that one of the elements of the difficulty was the very high price of land. I quite agree with that statement, and I am certain that the remedy I propose with

reference to taxation would do a good deal towards removing that difficulty ; and I say here and now that, unless something is done to put a check to the speculation now going on in land-values, the time is not far distant when we shall have the inevitable crisis that invariably follows such speculation. In reference to the high prices of land in the colony several causes have been at work; it does not all come from one cause. In the first place, the rise in the price of our staple products in the Home markets has undoubtedly had a good deal to do with the raising of land-values. Then, the lower rate of interest has been an important factor in increasing the selling-values of land ; but the very fact of the Government being a competitor in the speculative market, in the buying market, has also been a factor in sending up the price of land ; and I want to show by a few figures the amount of loss the colony has sustained through our land-for-settlements policy, which is not taken any note of, and is not mentioned in the accounts of that department. In 1892-93, when the land-value was £75,787,895, we received in land-tax the sum of £297,181. Now, there has been no reduction in the rate of the land-tax since that date; but in 1898, when the land-values had gone up to £84,401,244, an increase of £8,613,349, the total amount of land-tax collected was £267,287. Now, with that amount of land-value-eighty-four millions odd-if we had been receiving land-tax in the same ratio as we received it when there were seventy-five millions in 1892-93, instead of receiving in 1898 £267,287 we would have received £330,956. The exemption of improvements would not make an important difference. At any rate, the land-tax a year after the exemptions were made was within a few thousand pounds of what it is to-day, and therefore we were losing in 1898, by the purchase of the land and loss of land-tax on it, an amount of \$63,669 a year. Last year the total amount we received in land-tax was \$294,583. Now, even since 1898 there has been a very large increase in the land-values of the colony, and the amount of land-tax remains very much the same ; so that, in estimating the benefits to the colony of the land-for-settlements policy, account ought to be taken of the amount we lose in land-tax on every estate we buy. Of course, I will be told that the main object of the policy was to secure closer settlement. I submit that the same result can be obtained by increasing the tax on land-values, adding to the revenue at the same time, and would enable very large remissions to be made on Customs duties which are paid by those who are not participating in these increased values. If the land is put to its best use by the owners, whether

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in large or small quantities, there is not the | to the Natives. If it is right for the Government same gain to the colony in cutting it up as there would be in spending half the amount of money in securing the cultivation and settlement of the waste lands of the colony. In addition to that, if the Government would take in hand and make a vigorous attempt to open up the Crown and Native lands of the colony they would do something to obviate what every one admits to be an evil-namely, the dearth of land. The Crown and Native lands being locked up by the Government is tending to create that scarcity - that earth-hunger - which was referred to in the Address from His Excellency at the beginning of the session. It is all tending to accentuate this evil ; and if the Government would set to work and open up Crown lands they would provide food for those hungry people. The proposal I make of increasing the tax on land-values and remitting Customs duties is the only one that will, in a natural way, discourage the speculation in land values that has been going on for so long, and is going on at . When the Premier was the present time. asked about the opening-up of Crown lands in the North Island, I heard him say that he could not get surveyors. I think, in the Auckland District we could provide him with some if he has not sufficient in the department. But this is not the trouble. I have it on satisfactory authority that in some parts of the colony surveyors are working two or three years ahead of any possible settlement ; while in other parts land is lying ready for settlement alongside good roads and close to railways, and no attempt is being made to open it up. Here I want to draw the attention of the Minister for Public Works to the land in the Ohura Valley. The railway will be running to Kawakawa in September-that is, within five or six miles of the

beginning of a large block of Crown land. Running right alongside of this block for twenty miles, on the other side of a river, is as good a road as any in the Auckland Province. Now, why is it that this Crown land has remained un- settled, unoccupied, and unopened for settlement so long, when we are sending our settlers into the back blocks, which calls for drafts year after year on the Treasury for making roads to those blocks? Is it because Auckland is the natural outlet for that land ; or what explanation can they give that land lying alongside a good road and close to a railway remains unsettled, whilst we are buying lands for settlement in other parts? I have in my possession in Auck. land a sample of cocksfoot taken off this land which measures 6 ft. 3 in., and I defy any part of the colony to produce a better sample. We have in the North Island, as most of you are aware, large quantities of Native land standing as a bar to settlement. I have no desire at all that any policy should be inaugurated that would deprive the Natives of this colony of the benefits they are entitled to in their lands. But the measure we passed last year simply locked up Native lands, so that the Natives get no advantage, and is a complete check to any possibility of settlement. There are two or three ways in which the Native-land policy could be easily settled, and in which justice could be done to compulsorily acquire private lands held by Europeans in cases where the land is cultivated and put to fairly good use, I maintain it is equally right for the Government to do so in cases where lands are lying idle blocking settlement. I want again to direct the attention of the Government to a large block of Native land within about twenty miles of Auckland, beginning at the Waikato Heads and running from there to Raglan, a distance of fifty miles by an average of eight or ten miles wide, and a good part of it fairly good land. This land at the present time is held by a loan company, with about three years of lease to run ; and I say the Government ought to take steps so that when that lease expires the land will in some way or other be thrown open for settlement to the people of the colony, and others coming into the colony. I say the wisest policy that can be adopted in this country is the policy that will secure the opening-up and development of the waste lands rather than the buying of private lands for the purpose of closer settlement. There are in the North Island large tracts of magnificent land, and if they were opened up they would attract our young people, and also attract people from other lands. Population is one of the great requirements of this colony. I say we ought to follow a policy that will make our country attractive for people to come to. I ask, why do so few people come to this colony ? We see from the Census Report that only a small number of people above the natural increase have been added to the population in the last five years. Why is this so? You would think, hearing some people talk, that the wages of workers are very much higher in this country than in other colonies. I would like to draw your attention to page 19 of the Federation Report, and you will read there the report on the condition of the working-classes; and I know that report does not express the whole opinion of some members of the Commission. Even if wages are only as high in Australia as they are in New Zealand, I say, with the advantages of climate that we have here- with equal wages in proportion to the cost of living, the workers in Australia would flock to this colony. But by our insane policy of restrictive tariffs and restrictive legislation in many directions, we are trying to make this a very desirable country for people to live out of. I want to change our policy, and I make an appeal to members of this House to join with me in trying to secure a policy more in conformity with the principles of justice-a policy that will open up the waste lands of the colony for settlement, that will divide taxation equitably, and will see that the revenue is equitably spent. I say I make an appeal to members of this House to do this in the name of justice, remembering that- He's true to God who's true to man. Where'er a wrong is done To the humblest or the weakest, 'Neath the all-beholding sun, That wrong is also done to us; And they are slaves most base Whose love of right is for themselves, And not for all the Race.

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of all, to congratulate the honourable member who has just sat down upon the excellent speech which he has delivered ; but I would like to point out that he appears to have a peculiar notion as to the benefits

that have been conferred upon the colony by the different peoples -- that is to say, by the country people and the people inhabiting the towns. Sir, who are the people who have built the cities and towns in New Zealand? Have they been built by the people in the towns? Sir, if we go to the South Island we find that in the gold-mining days it was the digger who built the towns, and we know that in Canterbury it is the farmer who has built the towns, and so on all through the colony. Therefore, when the honourable member tries to make any comparison of the kind he did, I say his argument is fallacious. I desire also to congratulate the honourable member for Wallace on the speech he delivered this afternoon, which was principally devoted to the question of education, and I do hope something will be done to improve the system of education in this colony. I believe that the recommendations of the Teachers' Salaries, Commission which was set up, if carried out, will have a good effect. There is an idea in the minds of the people of New Zealand that our educational system as it exists at present is something to be bowed down to and worshipped, and that you must not touch one brick in the edifice lest it should come tumbling down about your ears. But, Sir, there is room for much reform and great improvement in our system of education. Now I come to the criticism which has been levelled at the Financial Statement by some of the members of the Opposition. First of all, let me take the remarks of the honourable member for Hawke's Bay with regard to the indebtedness of the colony. Other members in the House on our own side have also made a great deal of the indebtedness of our country ; but none of them, it appears to me, has been quite honest in his criticism, for not one has taken into consideration the assets we hold as against the debt, which has certainly gone up considerably during the past few years. Sir, I want to ask those honourable gentlemen who complained so much about the increase of the indebtedness of the colony what the position of New Zealand would have been to-day if it were not for the fact that the Government has created an Advances to Settlers Office, a land-purchase system, has gone on with railways, roads, and bridges construction, has advanced money to local bodies, and purchased Native lands: what would have been the position to-day? Should we have been as well off if none of these things had been done? Do we not, as a matter of fact, hold large assets in this colony to set against the indebtedness that members have made so much of to-night ? The criticism by the opponents of the Government has always failed, and it always will fail as long as the members who oppose the Government policy are disingenuous in their arguments. Let me take, for example, the statement made by the honourable member for Bruce, Mr Allen. It is true that he exposed purchase of some lands near Wellington. I regret that the honourable gentleman, in the course of his remarks, did not point out the party who was to blame for this. He was very unfair; for the inference was that it was the member for Otaki who was concerned in the matter. Mr. J. ALLEN .- No. Mr. HORNSBY .- It pointed directly to the member for Otaki ; and I think if the member for Bruce had been fair he would have mentioned the names of the relatives he referred to when he spoke of the owners of the property. I refer to the Epuni Estate. Sir, there was another note running through the remarks of the honourable member for Bruce which I am sure he will regret when he comes to look at it in cold type, or, perhaps I should rather say, in the warm tones of the typewriter. He was very personal in his references to the leader of the Government. He was also very personal in what he said about one or two other members of the Ministry. Now, Sir, is it not a fact that, although we on this side of the House know and feel that mistakes have been made, and that sometimes wrong has been done by the occupants of the Ministerial benches--does not this personal abuse call into active life the party loyalty? When we hear the members of the Ministry attacked in a grossly personal way--for there is no necessity to attack men personally--it closes up our ranks and calls into active life those feelings which justify the existence of the party spirit. Let their policy be attacked. I shall to-night endeavour to criticize the policy, and may have to say one or two hard things regarding the leaders of the party to which I belong ; but I trust I shall be fair in my criticism, and that when I sit down no one will be able to say that I have levelled any personal insult at any occupant of the Ministerial benches. Sir, coming to the Financial Statement, I think it is a pity there

is not amongst the numerous Private Secretaries of the Premier an old sub-editor who would carefully go through some of the verbose productions we get in this House from the honourable gentleman, and whittle them down to something like a reasonable length. An Hon. MEMBER .- Do not be personal. Mr. HORNSBY .- There is nothing personal in that. I am referring now to his productions, and not to himself as a man or a statesman. So far as one who does not pose as a financier -and I am not one of those heaven-born financiers who come into this House and lay elaborate financial statements before honourable members ; who pose in the character of financiers anxious, possibly, some of them, to get on to the Ministerial benches in the position of Colonial Treasurer - I say, Sir, that I want to show what the financial position is, as it strikes one who does not pose as a possessor of a world of knowledge in finance. I learnt long ago, from an old Scotsman in the South Island, never to attempt to discuss figures if I do not understand them. He said

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to me, "Figures will prove anything"; and I way-train which leaves the Wellington station so they will. It all depends upon who is handling them, and the way he does the handling. What I want to know is this : Is the whole financial position of the country disclosed in the Financial Statement? I do not think it is ; and if we make any mistakes in our criticisms - and I only intend to go through the matter in a general way-I say if we make mistakes in our criticisms, the responsibility for those mistakes must rest with Ministers, for they have not provided those details which we are entitled to have as members of this House. We hear a good deal about " trusting the people," about trusting this and that ; but I say the members of this House have not been trusted in the present instance by the Colonial Treasurer. He has not given us those facts that he ought to have given us. He has not made what I choose to term, in a colloquial way, " a clean breast of it." If the Premier thinks that he will gain anything by keeping back any of the facts as they are known to him from the members of this House I think he is making a serious mistake. Sir, I believe that such a course of conduct helps to give colour to the widest and wildest statements that are made by the opponents of the Government. Now, what, for instance, was the cost of the ducal visit to this colony? Was it \$55,000, or how much was it? Possibly we shall never know. Then, are there any details in any of the documents which have been laid upon the table of this House as to the cost of the demonstration at Rotorua-the hiring of hotels, and several other things of that kind, many of them of considerable magnitude in the matter of expenditure? We do not know what the whole thing has cost, but we have a right to know ; and I venture the opinion that it will come to nearly double the amount that has been represented to us. I say this fearlessly and frankly : that if the Colonial Treasurer had come to this House and had said in his Financial Statement that the ducal visit had cost us \$120,000, I do not believe that a single member of the House would have objected. Now, however, that he has said that it has cost \$50,000, should it come out afterwards that the cost is double that amount, then he may expect a good deal of criticism of a very warm character. Mr. MONK .- It has been shunted to the various departments. Mr. HORNSBY .- But I want to know where it has been "shunted " to. In this connection, a grant is to be made to His Excellency the Governor, if the House allows it, of something like \$2,250. When, last session, we were passing the Governor's Salary and Allowances Bill, we were told by the Hon. Sir J. G. Ward-I think in reply to a question put by myself- that the \$7,000 per annum to be paid to the Governor was to cover all expenses and allowances. Notwithstanding this, we have here £2,250 as a special grant to His Excellency, together with \$40 for special trains on the Midland and Manawatu railways. And then, Sir, very now and again we see put on to the rail- for Napier a gorgeous carriage. It was built, I believe, for the use of the Duke and Duchess of Cornwall and York. Their Royal Highnesses went out in it as far as Petone, and now the carriage is used to run up and down the Government line for the convenience of Lord Ranfurly. I should not have said a single word against that but for the fact that every time that carriage is hooked on to the train the comfort of the general public is narrowed down.

The American carriages and "smokers" are knocked off, and we have to revert to the old system of travelling up and down the line. Now that is not right. It should not be done, and I, for one, protest against it. An Hon. MEMBER .- Who travels in the Royal carriage ? Mr. HORNSBY .- Well, I would rather not go into that. Now, Sir, the Treasurer tells us there is no extra taxation upon the people of the colony. Quite so. But is anybody foolish enough to believe that this is more than half a truth ? What is the position ? The position is this : More loans ; more expenditure ; more increases in salaries and allowances ; more extravagance in every department of the State. And if I were an older member in this House I would here to-night move that the whole of the estimates be referred back to the Treasurer, so that he should recast those estimates and knock off a very large sum-as was done in the case of Sir Harry Atkinson some years ago. At any rate, I make this declaration as far as I am personally concerned : that I intend to contest every one of the increases when we are in Committee of Supply, and we shall see who the members are who are in favour of this extravagance and who are not. I shall give them that opportunity. Sir, we have heard a good deal during the course of this debate about the country members demanding this and that from the Government; but when we go as country members and ask them for votes we are met with the answer that we are not to ask for too much. The Hon. the Colonial Treasurer, in making his Budget Statement, asked members of this House not to be too eager to get votes for their constituencies. The members of the city and suburban constituencies also require votes, and they will be met with the same statement. What are we told ? 'That there is no money. Very well, then, it has come to this : that there is little or no money for roads or bridges for the back-blocks people, but there is any amount of money-tens of thousands-for follies and foibles if it so please the gentlemen occupying the Treasury benches. The time has come-and I tell Ministers that it is so, and they will soon come to know that it is so if they do not believe what I say now-when the people of this country have made up their minds that the sort of thing I have complained of is going to stop; and the sooner it stops the better will it be for the party of which I am a member. Now, Sir, the Treasurer's Statement is full of words of hope for the back-block settlers; but what of the fulfilment ? He " keeps

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it to the hope." All the promises of help to the farmers are in the air. Now, let us take two or three of them. For example, there is the matter of cool-storage at the Cape. The cool-stores will be put up at the Cape-"when the Commissioner has reported." The mortgage-tax was to have been taken off last year. That is still to be taken off ; but when ? The rebate of rent for four years to the man who goes out into the back-blocks: that is to be done-when ? And echo answers, " When." Now, let us go a little into detail with regard to the proposal for cool-storage at the Cape. I say, the Government are not in earnest in this matter. If they were, they know perfectly well that where they ought to instal cool-storage is in London, and in the manufacturing cities of Great Britain. They know very well what is going on there. No one knows better than the present Ministry what is going on in London in connection with rings and combines to keep down the price of produce in the London markets to the people who ship that produce from this colony. Enough has been said by the member for Waihemo to prove to us what is going on in the Old Country at the present time. And yet not a hand has been lifted by the Government to protect the producer in this colony against the roguery perpetrated on the London market. Cool-storage at the Cape must of necessity be a fleeting thing, for once peace is established in that unhappy country, and improved methods of farming are entered upon, what will be the good of the cool-stores ? simply enable the South African farmer to enter into competition with us on the London market, for we shall store his products for him, and they will be duly shipped to the outside markets. Now, as to the mortgage-tax-and I know honourable members opposite will not say, "Hear, hear," now-if that tax had been taken off, and a little more had been put on the progressive land-tax, that would have been " sound finance," and that would have been helping the farmers in this country. Mr. MASSEY .- There is a better

way of doing it. Mr. HORNSBY .- Yes, I know that ; but, you see, the increase of the graduated land-tax means that it will prevent the increase of large landed estates. That result has not so far been brought about ; but another turn of the screw might induce cutting-up, and then we should not want the mortgage-tax. What is it but a punishment of the small settlers ? The Premier says that the large estates are growing. He quoted from a return to show that large estates are still increasing in this colony, and yet in spite of that fact-when the remedy lies close to his hand - he has turned away from it. We still have the mortgage tax and we have not got an increase in the graduated land-tax. Now, as to the question of the encouragement of land- settlement in the back blocks and the taking- up of the waste lands of the Crown: In the Budget Statement we have a promise which I have said is in the air, but there is nothing Mr. Hornsby campaign of 1899, among other things that I did was to issue a manifesto to the electors, and in that manifesto occur these passages :- " With regard to the settlement of the rough lands of the colony : That all those desirous of going upon rough bush lands shall not be called upon for survey-fee or any rent for the first five years, provided always that all necessary im- provements are carried out, and that the first five years' rent is capitalised and its payment spread over a period of twenty-one years, said payments to be proportionately small at first and gradually increasing year by year, so that the heavier payments will not have to be made until a man's land has come into the full profit of return. That in all cases where land is leased from the Crown, whether under perpetual lease (with right of purchase at the end of ten years) or lease in perpetuity (999 years), the tenant may, if he so desire, make the land his freehold, provided always that he shall not be permitted to mortgage such land to any one but the State. That it shall not be lawful for any man, or cor- poration, institution, syndicate, or any organiza- tion or any individual whatsoever, to purchase the fee-simple of any such properties, if he or they or any of them shall already be possessed of the fee-simple of 1,000 acres of first-class, 2,000 acres first- and second-class, or 5,000 acres of third - class land. That no land shall be offered by the State in smaller holdings than may fairly be considered of sufficient area to enable the leaseholder or purchaser to make proper provision for himself and family. That all the Native lands over which the State already has a lien, all lands owned by absentees, and such lands as present private owners are will- ing to sell to the State, be dealt with by the Land Purchase Board before the compulsory clauses are brought into operation." Now, Sir, I advocated these things at the general election of 1899, and I know that the same things have been advocated by others in this colony. If the Premier is in earnest about this thing he will bring in some legislation this session to deal in that very way with the waste lands, and he may depend upon it that such a measure will have safe and speedy pas- sage through this House. With reference to the land-hunger of which so much has been said from time to time, and of which I have a good deal to say both in and out of the House, it exists in a very marked degree in that part of the colony I have the honour to represent. In- deed, we have very little available Crown lands there, but what we have are rapidly being brought into the market; roads are being driven into the available areas, and we shall very soon have some thousands of acres placed at the disposal of intending settlers. But, Sir, if the members of this House could understand thoroughly the position of affairs in the Waira- rapa, I am perfectly certain that they would sym- pat hize very largely with what I am going to say with regard to the purchase of land in that part of the colony. The honourable member for Mas- terton has had one example in his electorate of the success that awaits anything in the shape

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of the purchase of land for closer settlement. The Langdale Estate, through his exertions mainly, has been cut up, and proved one of the most successful things the Government has ever done. They got the land at a reasonable price, and disposed of it to one of the best lots of settlers who ever came before the Land Board. I can assure the Government, as I assure the members of this House, that if they will only send the Land Purchase Commissioner into the Wairarapa they will not have to put the compulsory

clause into operation, as there are areas of land lying there waiting to be purchased at a fair price, and the land is of good quality. I will give the names of some of the places where land is available, and where the owners of it are not unwilling to sell to the Crown. Take part of Brancepeth, for instance, and then go down to the Lower Valley to the Dry River Estate. Then, there are lands at a place called Ponatahi, outside Greytown; there are again in the Lower Valley some other estates, and there is a fine stretch of country available lying between Gladstone and Martinborough. I hope that the promise which was given by the Premier at a picnic which was held in my district a couple of years ago will be fulfilled, and that before very long we shall be enabled to settle the farmers' sons in that locality on some of the wide areas of land; for I can assure the House that there are not only dozens, but hundreds of young men who have had to leave the Wairarapa—that is to say, that portion of the Wairarapa in my electorate—because there is no land available to settle them on. I can assure the House that in the whole of the Wairarapa electorate, in the years that have intervened between the previous taking of the census and up to the present moment, we have lost even the natural increase of our population, because we are now one less in population than we were at the census before last. That will show you that the young people have had to go away. Young men, and young women, too, have had to go away because there is no land for them to settle on, and the sooner that is put a stop to the better it will be for the colony, and especially for my district. Now, Sir, I want to say a word or two about our little War Office. There has grown up in this colony a military caste; there has grown up a system which every true democrat ought to use his best endeavours to put an end to. You can scarcely move about now without tumbling up against a 'paid officer of our little War Office. Look at the estimates and see what is intended to be expended this year, and I say this, that when the time comes I shall move that the vote be reduced by one-half. Then we shall see who the men are who are in favour of this militarism and who are against it. Why, Sir, a Commandant and a small staff here in Wellington would be amply sufficient to govern the Volunteer system of this colony, if the Defence forces were on a proper basis, and an adjutant in each district, responsible to the Commandant, would be sufficient to have the whole thing properly managed. An Hon. MEMBER.—We have not got them yet. Mr. HORNSBY.—No, we have not got them in that economical shape; but we have lieutenant-colonels, majors, and feathers and cocked hats with gold lace galore, and if some of them were crushed they would pan out 4 oz. to the ton. The time has come when all this flummery and humbug should cease. We do not want that sort of thing. As long as we have in this country men capable of bearing arms, and enough of arms and ammunition to supply them, we have all that is necessary for the defence of our country, without any of the flummery and humbug that is rampant at the present time. An Hon. MEMBER.—Only in Wellington. Mr. HORNSBY.—It does not matter where it is; the taxpayer has got to pay for it. The money has to come out of somebody's pocket, and I object to the payment of money for the keeping up of this flummery. Now, Sir, I want to say a word or two about the old-age pensions scheme, and I shall try to be very brief. The old-age pensions in this colony have cost a good deal, I admit, but they must and shall be retained. What I am afraid of, however, is that every time there is likely to be a shortage in the accounts you will find the Treasurer of this colony casting a longing eye on that expenditure. And no later than in the Budget now before us we have a very broad hint indeed from the Right Hon. the Colonial Treasurer, and it ought to make the people who believe, as I believe, in the old-age pensions system stop and think. What does he say?—"The increased expenditure in old-age pensions must, however, not be treated lightly, and a careful supervision is necessary." And then a little later on he says:—"In view of the large amount now paid it will not be prudent to press for old-age pensions being made universal, or for any increase in the scale." What does that mean? It means that there is even now a longing eye being cast at that amount of money which is going out of the Treasury. And how is this beneficent system provided for? Is it right and proper, after you have built up this system—after you have got thousands of old people leaning on it for their very existence—is it right, I ask, to leave it in the

position it is in to-day ? I say it is nothing else than criminal not to have an assured finance in regard to the old-age pension scheme of the colony. I heard one member of the House remark that the Premier had promised to review the scheme on the basis of contribution. I say if the Premier ever did promise such a thing he will never be allowed to carry it out. It would be criminal and abominable if such a thing were done. I do not believe he ever made such a promise; and if he made any promise I do not believe it partook of that nature. Now, Sir, I say the time has come when these pension payments must be secured for all time against fluctuations of the revenue. A statesmanlike proposal would be to create land endowments for the payment of

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Crown lands were reserved for such payment it would not be too great a price to pay for so noble a provision for our old people. I should like also to see the pension given to women of the age of sixty years. There are many desperate cases at the present moment where women have been left widows : their husbands drew the pension, but their widows are not old enough to qualify under the present law, and are thrown on the charitable aid of the colony. I want to know what is the difference whether you pay by way of pension or by way of the charitable aid funds ? I will tell you the difference, if there is one : it is, that it is cheaper to keep these old people by way of pension than out of the charitable aid fund, and you do not pauperise them by the former method. Now, with regard to the financial position of the colony, I do not believe there is any cause for alarm ; because if you allow for the tremendous amount of expenditure which has gone on lately, and which is of a non-recurrent nature, you can confidently look forward for a very large surplus next year. An Hon. MEMBER .- How about the coronation ? Mr. HORNSBY. - We will wait till that item comes along; I do not think there will be a repetition of extravagance. But there is good and sufficient reason to call a halt in our extravagant practices, and I think if we are true to the principles we enunciate when we are in front of our constituents we shall see to it that a reduction is made in the cost of administering the affairs of the country. And, if we desire to have it thought that we truly represent the people, we shall try to put a stop to meretricious displays, to the wastefulness of a paste-board militarism and a shoddy aristocracy in this colony. Sir, during the debate we have heard many references to the late lamented John Ballance, and to me some of those references were positively nauseating, for I can remember the time when he was alive when hard words hurt him, and when they reached his ears. That was the time when hard words were used, and shameless things were said ; and if we had believed only half of what we read in some newspapers concerning him when he was alive he was one of the greatest scoundrels that ever escaped a white-walled gaol. To-day they who then abused and villified him have canonised him ; he is a saint according to the same gentleman who dragged his name in the mud, and did not even spare the members of his family when he was Premier. It is always the way. I believe, myself-and I have said it on the public platform - that the day that sees the present Premier leave the Treasury benches, that day -- if he voluntarily leaves them-he also will be canonised, and referred to as "Saint Richard John Seddon." 'They will find out then what a great man he was, what a magnificent fellow he was, and they will tell us so unceasingly ; but the man who succeeds him, if he happens to be a Liberal, will be pelted with the same mud with which they pelted John Ballance, and with which they are pelting Mr. Hornsby it is time, so far as we are all concerned-and we are all concerned in this matter -that we should strive to put our house in order. I believe there are many savings that can be effected in the expenditure of this colony, and I want to ask members of this House, whether they belong to the Conservative side or the Liberal side, or whatever may be their politics, this straight-out question : Are you willing to assist honourable members in this House who believe that we are going too fast to help to put on the brake ? When the House divides on the question, as to whether these increases shall take place or not, what lobby are you going into? Are you going to support extravagance and keep up this extravagant expenditure, or are you going to help

those who are desirous of putting on the check ? Then we shall see, and then the country will know, who are genuine Liberals and who are the men who want to wastefully expend the money of the taxpayers of this colony. Mr. GRAHAM (Nelson City) .- Sir, this debate has developed a somewhat remarkable situation, one that I have not seen in my eight years' experience in the House until now. Thirteen members have spoken in the debate. Only two of those thirteen are recognised members of the Opposition-they are leading members certainly ; the other eleven who have spoken are Ministerial members. Most of those-in fact, all-who have attempted to deal with the finances of the colony have criticized the Financial Statement and the Administration unfavourably. Notwithstanding all this, not a single Minister has risen in his place to reply to the criticisms that have been made on the Financial Statement. Contrast this, Sir, with the position that obtained during the earlier years of the Liberal Government-in the days of Reeves, of Ballance, and of John McKenzie, when they were associated with the very small number of leading members of the present Ministry remaining in office who understand finance. In those days we had a Minister put up to follow each member who spoke on the Opposition side, and, Sir, if I do nothing else but succeed in compelling a Minister to rise in his place and answer the criticisms that have been made the time I shall occupy will not have been wasted. I hear the honourable member for Wellington Suburbs, Mr. Wilford, ironically laughing ; he has just come in, and is at present lying down in his seat. Sir, it is a misfortune to the country .that at the present time we have not got a numerically strong Opposition to expose weak points in policy or administration. It would be better for the country if it were so, because a strong Opposition compels the Ministry to defend themselves properly. A good policy and honest administration should stand the test of any honest criticism. Now, Sir, in consequence of the fact that the Opposition is weak, members of the Government side of the House have felt it incumbent upon them to, so far as in them lies, criticize the present financial position of the colony and the general proposals of the

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Government. One of the strongest criticisms that I have heard during this debate is that of the honourable member for Dunedin City (Mr. Millar). I followed his figures carefully, and although I do not say he was right in every instance, nor do I think that he would claim that himself, I believe that in the main he was perfectly correct in what he was saying. The last honourable member that spoke said that he hoped that no personal insults would be offered Ministers, and I hope, Sir, that I shall not say a single word than can be taken as a personal offence to any Minister of the Crown. Although I do not pose as a financier, I consider it to be my duty as far as I can to criticize the affairs of the colony from my position in this House. Sir, I feel the responsibility of the position-I feel that I am not speaking only to the gentlemen who are listening to me now, but that my words will go forth to the country, and only as far as they are true ought they to be appreciated. Feeling that it is my duty to criticize, I have taken a considerable amount of trouble to verify the correctness of the statements I am about to make. It will be impossible for me in the short space of one hour to review the whole financial position of the colony-to do so would take several hours. One member cannot deal with all the points, and I had hoped, and still hope, that in the course of the debate the various speakers will amongst them criticize the whole of the colony's financial position. It is my intention to confine myself to a few of the main questions that are dealt with in the Financial Statement. I shall refer to the pessimistic criticisms that the Premier mentions in the Statement ; I shall refer to the surplus in the Consolidated Fund, and the liabilities against it ; to the Public Works Fund and its present position ; to the public debt and its increase during the last four quinquennial periods. I shall do that because one honourable member who preceded me spoke of the last decade, and the Treasurer said, "Why do you not deal also with the previous ten years ?" This I shall do. I shall deal with the increased payment for interest placed upon the general taxpayer, because the honourable member for Auckland City (Mr. Napier) said that a good deal of this increased interest was being paid by those who

borrowed the money. I will deal with the increase of population as compared with the increase of indirect taxation ; also with the inequality of sacrifice under the present direct taxation. I shall refer to the Premier's salary, compared with that of the Judges of New Zealand and Australia. I shall also refer to the salaries of the other Ministers as compared with those of Australian Ministers. I shall also refer to the Midland Railway question, to which the Premier referred in his Statement. Sir, I shall be obliged if the honour- able member for Wellington Suburbs will stop his frivolous interruptions. If he does not take any interest in what concerns the financial affairs of the colony, he need not interfere with other members who do. The Treasurer, in the opening remarks of his Statement, says, - " The pessimistic criticism of our finance during the last few weeks has almost verged on the ludicrous, and thereby a feeling has been raised in the public mind that additional taxation was imperative." I want to know, Sir, who was responsible for the statement that we have heard so much about getting into the newspapers. I do not know upon whom the responsibility lies, but I do know this: I was present at the 10.30. deputation meeting when reference was made by the Premier to the estimates of revenue and the estimates of expenditure, and the Premier expressed grave doubts as to his ability to make one meet the other; so much so that when I read the reported statement in the Lyttelton Times, although there was no reporter present at the moment the statement was made. I felt that what took place was most vividly brought back to my mind. I shall not say a word more about that, excepting that the Premier himself almost confirmed this position later on in his Statement, where he says, " I was confronted with estimates involving what appeared to be at first sight extraordinarily large expenditure." Now, that shows that the Premier had to pare them down; but all I wish to say in connection with the matter is that I was present when the statements were made which would give rise to what was printed in the paper. I do not suppose the Premier gave the information to the newspaper himself. He says he did not, and I believe him when he says so ; but it was remarkable how correctly the papers did get what was said at that deputation. Now, with reference to the surplus, I want to refer to this, and first of all I want to refer to the way in which it was put by a leading journal in New Zealand-namely, the Evening Post, of Wellington. I do this in justice to the Government, because the Post is a paper of a very wide circulation, and many people do not see the position stated in any other way than they see it stated by that paper, or by some other newspaper in the colony. The Evening Post, after the Statement was delivered, said, " As for the surplus of the past year, the fact is that if the previous year's surplus be not brought forward there is a deficit on the year's transactions." The paper then proceeded to state the amounts of the revenue perfectly correctly, but excluded the balance brought forward. They also stated the expenditure; but in stating the ordinary expenditure they included the \$500,000 that was transferred from the balance brought forward last year to the Public Works Fund Account, and in that way they made a deficit of \$72,786. To do that is not fair to the Government. As they included the \$500,000 that was transferred to the Public Works Account on the expenditure side, they ought also to have included on the revenue side of the account the balance brought forward, because the \$500,000 was transferred by law from the balance brought forward last year, and had nothing to do with the actual ordinary revenue or expenditure of the year. Mr. WILFORD .- You are quite wrong in your figures. Mr. GRAHAM .- The member for the Suburbs

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House, and he comes in here after ten o'clock at night and presumes to tell me I am all wrong in my figures. Now, I presume to tell him that he knows nothing about the subject of which I am speaking. Sir, leaving out the balance brought forward last year, and the \$500,000 paid to the Public Works Fund, the receipts and expenditure would stand thus: The actual revenue, including the accretions to sinking fund, was \$5,906,916 ; the expenditure was \$5,479,703 ; the actual balance therefore, as shown in the Statement, is \$427,213. But there is not one word in the Statement to show that at the time that balance was made up there were liabilities against it of \$206,828. That is the amount of unpaid accounts owing by

the Consolidated Fund on the 31st March. The details of these will never be printed and made public. But on the table of the House at the present moment there are the details of every account, and if members will look into those returns they will see that they give the details of these unpaid accounts. Yet the Premier says on the first page of his Statement, " The revenue received last year exceeded my most sanguine expectations. Notwithstanding the remissions . for, after meeting all current obligations, there was a balance on the credit side amounting to £532,564." After meeting all current obligations. Now, are not debts that are owing and unpaid on the 31st March current obligations-are they not included in current obligations? They ought to be, Sir. Unfortunately for the Treasurer's balance we did have \$206,828 of unpaid accounts, and, deducting that amount from the figures as stated by the Treasurer, it leaves only \$220,385, to which we add £105,000 balance remaining of what was brought forward last year, and that gives us a total of \$325,736. That #cc-zero is the total balance if we had paid our liabilities. Let me just put it in another way, which will be understood by honourable members who follow me. The balance as shown in the Financial Statement is \$532,564. It is proposed to transfer \$500,000 to the Public Works Fund Account. If we do that it leaves \$32,564 as the balance remaining in the account, with a liability of unpaid accounts of \$206,828 on the 31st March. Subtract one from the other and there remains a deficiency of £174,264. That is the real position. Now, where is that deficiency to come from ? It can only come Now, with reference to from future taxation. the Public Works Account : as stated in the Treasurer's Statement, at the beginning of the year this account began with a credit balance of €139,749. We raised by loan \$900,000. We received into that fund by transfer from the Consolidated Fund Account \$500,000, and by other special receipts €1,787. The total revenue was #1,141,563, and we paid away during the year in public works, including £1,460 for raising loans and \$50 "unauthorised expenditure," the sum of \$1,309,021. That left a balance as shown in the Statement of #232,515. There is no indication in the Statement to show the fact that at the very moment we had this Mr. Graham unpaid accounts against the Public Works Fund to the extent of £1,292.096. So that instead of a balance, if we had paid the debts owing on the 31st March, we should have had a debit balance of over a million of money. But the Treasurer shows a credit balance of #232 515, and he gives his estimate for the current year without any reference to the debts owing. He has also power to raise \$800,000, the balance of the loan of last session, and he proposes to transfer another \$500,000 from the Consolidated Fund, and also to borrow another million of money by a fresh loan. He makes his ways and means appear to be £2,532,515; then estimates there will be an expenditure of £1,950,000, and a balance remaining at the end of the year of £532,515. If the honourable gentleman had paid his debts, how could he possibly have this position ? Mr. HALL-JONES .- They are not debts. Mr. GRAHAM. - "They are not debts !" What are they but debts ? Look at the table. I ask the Minister to look at the table, and he will find every account in detail from typewriters to charwomen's wages, and the salaries of almost every department unpaid-salaries for the month of March. Are those not debts owing on the 31st March ? What are they ? If you owe me my salary on the 31st March, surely that is a debt owing to me. Mr. HALL-JONES .- You are dealing with the Public Works Fund now. Mr. GRAHAM .- Of course I am. I told the House I was speaking of the Public Works Fund, and they are the accounts in the Public Works Fund that were unpaid. Does the honourable gentleman not understand that ? I would ask him to pay attention. The real position on the 31st March would be this : The cash balance appearing to the credit of the account was \$232,000. The balance of loan authorised - that is, the amount they may borrow by loan authorised last session-was \$800,000. They owed £1,292,096, which would leave a deficiency of £259,581. I heard an honourable member who spoke the other night state that it was £260,000, and there is no doubt about the deficiency if you paid your debts. Their estimate of ways and means for the current year provides-that \$500,000 is to be transferred from the Consolidated Fund, and a new loan of one million is to be raised ; so that then we should have cash to credit of the account £1,500,000, less the amount it cost to raise the loan. And on the

other side of the account we should have the deficiency as shown of #259,581, which would leave an available balance of ways and means of £1,240,419, and that is all. The Treasurer, however, brings forward a statement showing that we should have ways and means of £2,500,000 and over, and after he had spent \$1,950,000 he would have \$582,000 left ; instead of which he would only have £1,240,419 in all. With reference to the public debt, one honourable member who spoke the other night gave the increase for the last ten years, and the Premier suggested that he should give the increase for

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the previous ten years, and compare the one with the other. But that was not done. I will do it now. I will give the figures for the four quinquennial periods from 1881 up to 1901. In 1881 our net debt was £27,108,269 : Sir John Hall was Premier. In 1886 it had increased by \$5,155,287, when the Stout- Vogel Government was in power. In 1886 the amount of the debt was \$32,263,556. In 1891 it had increased by a further sum of £5,079,752 : Sir Harry Atkinson was in power. In 1891 the debt was £37,343,308. In 1896 it had increased by \$4,928,581 : Mr. Seddon was in power. In 1896 the total debt amounted to \$42,271,889. In 1901 the net debt of the colony had increased to £48,557,751, Mr. Seddon being still in power -the increase for the last five years being £6,285,862. I have now referred to the last ten as well as the previous ten years. The increases during the whole of these quinquennial periods do not vary very much except in the last five years, when Mr. Seddon was in power. In addition to this \$6,235,000 which the Government have raised by loans, they have also raised by taxation for public works-the member for Dunedin City (Mr. Millar) made it £2,445,000; perhaps I may have missed out something, but I put it at my figures because they are less than those of the honourable member for Dunedin City, and I know they are not overstated. I have put it down that they have raised from taxation and transferred to the Public Works Fund £2,225,000. That is less than what the honourable member makes it, but his figures are a good check, at any rate, against mine. That makes a total of \$8,540,862 in the five years. But it is only fair to say that out of this amount the sum of \$2,350,000 has been borrowed for advances to settlers, and that money is apparently self-supporting, as are also the sums borrowed for the Land for Settlements-\$1,800,000. Now, it is only fair to say that. But, Sir, the difference between what we have raised for advances to settlers and what has been actually raised and spent is very large, and it is absurd for my friend the honourable member for Auckland City (Mr. Napier) -- who, I am sorry to see, is not in his seat now-it is absurd for him to say that a large portion of the increase that we have to pay for interest this year is for the purpose of paying interest on the advances to settlers and the land for settlements loan. That is absolutely incorrect. Now, the £1,819,225 total estimated interest and sinking fund for the current year does not include interest to be paid by the colony on account of the advances to settlers and land for settlements, although it ought to be included in the statement, as I will show presently; but I have pointed out the increase of the debt that the Treasurer desired as a comparison between the last ten years and the previous ten years. But the main point in this business is not how much more or less this Government has borrowed as compared with other Governments, but how its huge borrowing compares with the policy which brought this Government itself into power in New Zealand. That is the point, to my mind. It is not unfair, VOL. OXVIII .- 4. therefore, for me to quote Mr. Ballance on the subject, after he had ousted the Atkinson Ministry from power, and the lever by which he ousted them from power was that he promised the colony was going to cease borrowing. I am going to quote Mr. Ballance, and also a gentleman present in the House at the present moment, with reference to this matter. Mr. Ballance, in his first Financial Statement in 1891, when he had ousted the previous Government and decided to go in for a policy of economy, said,- "If we are to maintain our credit and financial independence, borrowing in the London market must cease." Has it ceased ? No; it is going on more rapidly than ever. During the last year we increased the public debt by £1,627,675. Mr. Ballance went on and said,- "The welfare of the whole community demands the most rigid economy in the administration of affairs.' Are we exercising

economy in the administration of affairs? Sir, no autocratic Government could spend money more lavishly in the administration of affairs than has been done by the present Government during the last few years. In the same Statement Mr. Ballance said,- "Retrenchment to be effective must go on continually. Thus, when an officer dies or retires the question should always be asked, Has an opportunity occurred for promoting greater economy and efficiency? We believe great reductions can still be made in the cost of the service, but they ought to be made in the way I have mentioned-gradually, and with system." Are we exercising care and economy with reference to the Civil Service? I do not think we are. Are we giving effect to this principle? The present estimates answer "No." In the present estimates there are increases to the amount of \$45,000 in salaries this year, besides the automatic increases that occur under the Classification Acts. Does this look like economy? We have not only increased the amount of salaries, but we have increased the number of officers, and we are continuing to increase them. I suppose these figures are not denied. I have a list here-a list of the increases in every department-but I do not wish to take up the time of the House unless the Government denies the fact that increases to the amount of \$45,000 are proposed. Mr. HALL-JONES. - It is not a fact. Mr. GRAHAM. - I have the details, but I suppose the honourable gentleman, who is not the Treasurer, only wishes to take up my time and thus prevent me dealing with other subjects. Mr. Ballance and this Government held the same view in 1892 that I hold now, when he said,- "Our object is to bring borrowing to a conclusion as fast as we possibly can, except from the legitimate sources from which we should borrow - namely, surplus revenue." Has this principle been carried out? If it had been, I think the position would have been

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has increased more than it has ever done in the colony previous to this Ministry coming in. Mr. Ballance added,- "I think if honourable members agree with me that we can do without borrowing that is the true policy to pursue in the future." Since these words were spoken what have we done? We have raised and spent from surplus revenue-the true source from which Mr. Ballance said public works should be done - £2,225,000, and from direct borrowing we have raised about eleven millions and a quarter in ten years, increasing the net debt from thirty-seven millions in 1891 to over forty-eight millions in 1901-not bad for a Government which went into power determined to exercise economy. Let me now quote Sir Joseph Ward, one of Mr. Ballance's lieutenants at that time. In the financial debate of 1892 Mr. Ward, replying to Mr. Rolleston, said,- "We have indicated clearly and fully that we do not intend to go in for borrowing, and yet the honourable gentleman is not satisfied. He even endeavours to make the country believe that we do not intend to do what we say." The country knows now that they have not done what they said, whether they intended to or not. Mr. Ward, in the same speech, also said,- "It has been a customary thing to indicate that we were going in for a borrowing policy either within or outside the colony. It was generally assumed that we were going to borrow outside the colony. When they heard that we were going to do nothing of the kind they breathed again, and then it was assumed that we were going to borrow within the colony itself. . . The Government do not propose to borrow either within or without the colony. I am sure the ironical laughter I hear #cc-zero is only an indication of the disappointment they feel." That is in Hansard, Volume 75. Since then we have not only borrowed again and again. but we have done so in a most lavish way, and the results have not been consistent with what the honourable gentleman then said. He also said,- "The Government seriously intend that, as far as New Zealand is concerned, their policy shall be exactly as it is stated in the Financial Statement-one of self-reliance, and that we shall live within our means." These are the words of Mr. Ward, the present Minister for Railways, in the financial debate of 1892. I promised to show the honourable member for Auckland City-I am sorry he is not here-and the House and the country how the burden of interest is increasing on the general taxpayer. I will do it now. Since 1896 the interest paid has been :- Interest paid. 1896 . £1,683,775 .. . 1897 1,769,469 .. . 1898 .. 1,741,412 .. 1899 1,767,467 .. . 1900 1,749,393 .. . 1901 1,745,616 Mr. Graham £1,819,225, an

increase of interest payable since 1896-only five years-of £135,450. This does not include interest on land for settlements nor for advances to settlers, although the honour- able member for Auckland City (Mr. Napier) implied that it did. Sir, I am going to prove that the interest on the advances-to-settlers and land-for-settlements loans is not included in the £1,819,225, which is an increase of interest on the general taxpayers of £73,609 over last year. If you will turn to page 5 of the estimates, under the heading " Per- manent charges," you will find that on the advances to settlers there are sums of £45,000, \$15,000, and £7,200 put down for interest, amounting to £67,200. This amount is not carried out in the money column, nor is it included in the total sum of £1,819,225. On the next page you will find, with regard to the land for settlements, there is £62,693 set down as having to be paid as interest on the various sums borrowed, and it is not carried into the total. There is simply a note in each case " Amount to be recovered from the Land for Settlements Account." There is another amount of \$8,000 for the same purpose treated in the same way, and these three sums amount in the aggregate to £137,893, for which the colony is responsible, and we have got to pay more interest than is shown in the total put here by that sum. Why is it shown thus ? I say that, in my opinion, it is done deliberately to deceive the people who lend the money in the Old Country. It makes the amount appear £137,893 less than it really is. Now, all money paid for interest should be properly set out and included in the total sum of interest payable. When we receive the interest, and as we receive it from those who borrow the money, it should appear as a recovery on the revenue side of the account. This would be the honest and straight-out way to show that account, and then no such mistakes could occur as were made by the honourable member for Auckland City (Mr. Napier). If we add the sum of £1,819,225 to the sum of £137,893 it makes our total payment for interest £1,957,118. That is the actual amount, and not £137,000 less. It is true, as I have said, that £137,000 has got to be recovered ; but the colony is re- sponsible. The colony is in the position of the backer of a bill. If the people who borrow from Government do not pay it the colony has got to pay it ; and whatever is paid, whether it be the whole of the amount or only a portion, it ought to be shown on the receipt side of the revenue account. Then we should always know actually what we did get back, and there would be no mistake about what was recovered and what was not, and the difference would show what the colony would have to find. There is no doubt about that. An Hon. MEMBER. - Did you get these figures from the Treasury ? Mr. GRAHAM .- I did not get any figures from the Treasury, or from any member of the House, or from any one else. I collected them ; and any one will find them accurate if

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they go and search the records as I have done. . mortgage. If a person has £5,000 invested in The Treasurer has given us some comparisons between 1896 and 1901. Let me give him a few more. The increase of population com- pared with indirect taxation furnishes a strik- ing comparison. In 1896 the population was 703,119; in 1901 it was 772,504-an increase of 69,385 , not 58,000, as was erroneously stated by the member for Auckland City (Mr. Fowlds). The increase of population in the last five years, then, has been less than 10 per cent. The Cus- toms duties received in 1896 totalled £1,649,310 ; in 1901 the amount was £2,180,862, an increase of \$531,552, or over 32 per cent .; while the population increased by less than 10 per cent. The stamp duties in 1896 were £707,187; and in 1901, \$903,935-an increase of £196,748, or over 274 per cent. The beer duty in 1896 was £62,657, and in 1901 £85,171, an increase of £22,514, or nearly 36 per cent. Registra- tion and other fees totalled £48,434 in 1896, and in 1901 £67,537-an increase of £19,103, or over 39 per cent. Miscellaneous taxes in 1896 amounted to £72,419; and in 1901 to £126,410-an increase of \$53,991, or over 74} per cent. I have given the actual figures, because I feel, Sir, that in making a statement of this kind it might not be credited if I simply made the bald assertion. To sum up, I say, therefore, that, while the population has in- creased by under 10 per cent., the indirect taxation derived from the people has increased by amounts ranging from 27} to 74} per cent. The next point I want to mention is the in- equality of sacrifice under direct taxation, and I want to

refer to what has been said by a number of members in reference to the mortgage-tax, and to refer to it more fully than it has been referred to previously. The Treasurer says, with regard to the mortgage-tax, - " In respect to the increase of the graduated land-tax, I stated in the House some weeks ago that, if the Government was to keep the pledge given last year in granting the reduction of it in the pound on the mortgage-tax, the graduated tax on land would require to be increased so as to yield an amount equal to that conceded by way of reduced mortgage-tax ; and, after carefully reviewing the position, I now find that the views expressed have been verified, for a reduction in revenue to the extent of £25,000 could not prudently be granted unless otherwise recouped." He also said, " Let the mortgagees pay. They toil not, neither do they spin." Those are his words. But, Sir, the Treasurer knows as well as I do that in most of the cases the mortgagee does not pay the tax. It is the mortgagor who pays the tax. I will give an example directly- a forcible one. First I want to show the inequality of sacrifice, and then who pays it. A person who derives \$1,000 of income from any source other than from a mortgage pays an income-tax of £17 10s. a year. Now, to obtain £1,000 of income from a mortgage requires \$20,000 of capital to be invested at 5 per cent., and pays a tax of \$82 6s. 8d. - that is, 370 per cent. more taxation than the same amount of income derived from any other source than business producing an income of \$500 a year he pays an income-tax of £5. The same amount lent on mortgage at 5 per cent. produces an income of \$250, and pays a tax of £20 6s. 8d., or over 300 per cent. more than the income-tax. As the capital becomes smaller the anomaly appears to increase. £2,500 invested in business and producing a profit of \$300 a year pays no income-tax at all ; but £2,500 lent at 5 per cent. produces only \$125 per annum, and pays a tax of £10 8s. 4d. Does the Treasurer really believe that the mortgagee pays the tax? I say that the mortgagor not only pays a tax of 8s. 4d. in the pound, but in most cases he pays more than that, because you cannot split the fractions. He pays } per cent. more on his loan on account of the mortgage-tax. Improvements are said to be entirely exempt, but in reality they are not. Let me give an example: I know the case of a property worth \$6,000. The land was worth only \$200, and the improvements made up the balance. While unmortgaged it was free from land-tax, but the owner wanted to raise £3,000 on it, and he had to pay a per cent. more interest than was agreed on before he could raise the money, because it was found that when mortgaged his improvements were liable, consequently the improvements had to pay the tax. That is what happens in the case of nearly every mortgage on improvements, and the majority of mortgages are on improvements. They have to pay the land tax in the shape of a mortgage-tax, and it falls very heavy on small mortgagors, who have to pay a tax that is 300 per cent. higher than the income-tax. Another new tax has lately been added to the burdens of the small mortgagor. It has been imposed in consequence of the passing of the Workers' Compensation for Accidents Bill. Mortgagees have to secure themselves against liability under that Act, and there is a fee of 10s. now charged as an insurance fee to protect mortgagees. The persons borrowing pay this amount ; the mortgagee does not pay it. It will thus be seen that the mortgagor pays every time. Although the tax is nearly five times higher than the income-tax, the Treasurer says he cannot see his way to reduce it at all, notwithstanding the fact that the revenue of the colony is greater than ever. If the Treasurer cannot see his way to make a small remission of \$25,000 to reduce the mortgage-tax by {d. he knows, at any rate, how to make large additions to our expenditure in the annual appropriations. The increase in the appropriation last year was £289,000; this year there is a further increase of \$284,000. The increase in departmental salaries, many of them large already, is over \$44,900. Last year we increased the Governor's salary by \$2,000. Notwithstanding this we are now asked to vote him a special grant in addition of \$2,250, and I shall be one to assist honourable members in opposing this, and to divide the House on the question. Last year we increased the salary of one Minister by \$600 and another by \$500, five other Ministers by \$200 each. and one additional Minister, \$1,200. I say £1,200 advisedly,

as they are paid £1,000, and £200 for house-allowance, and if we gave the Premier the £200 in cash it would pay the colony better than that he should continue to keep the house that he is now in at its present cost to the colony. As will be seen by an examination of the estimates, Ministers are still far from being satisfied. Do the Hon. the Ministers deny the statement I have made? Like the honourable member, Mr. Millar, I am sorry the Treasurer is not present, but it is not our fault that he is away. I have shown how great is the burden borne under the mortgage-tax, which he could lighten without any increase of the graduated tax ; but, if needs must be, the graduated tax on land would be a fairer tax than to continue so heavy a burden on small mortgagors. According to the last valuation of lands in 1900, there were 394 owners who held land valued at \$11,559,306, an average of \$29,338 ; 92 held land valued at £6,186,336, an average of \$67,242 ; 39 held land valued at \$5,068,876, an average of £129,971 ; 11 held land valued at £3,815,259, an average of £346,841. Now, those are the people who ought to pay an increase of graduated land-tax. There is a source of revenue that will bring the Treasurer in not only the £25,000 a year he says he cannot afford to lose, but far more. Sir, it would relieve the small taxpayers of the colony. I hope the country will take notice of what I have said : that the mortgage - tax is largely paid by the small taxpayers of the colony, and that the Premier is keeping the burden upon them, although he is spending in other ways far more than the amount necessary to make the reductions. I leave the matter there. If the Premier will not take notice before it is too late the country may do so. Now, Sir, I have very little time left, but I do want to refer to the Midland Railway question very shortly, and I want to do it more particularly because I happened to be a member of the Commission that was appointed to make what has been termed- and, I believe, was-an exhaustive inquiry. The Treasurer says in his Statement. " A Royal Commission was appointed, and, after a very exhaustive inquiry, has reported practically that the company and debenture-holders have been very well treated." Now, Sir, as a member of the Commission, I was not aware that they had said anything of the kind, nor do I think that they did say anything of the kind. The Commissioners did not report, nor were they asked to report, nor were they even permitted by the terms of the Commission to report, as to whether the debenture-holders had been well treated or ill treated. They were tied down within the four corners of their Commission, and they could not do anything else. There were only three or four crucial clauses of the Commission out of the twelve, and under clause 1 they had to ascertain what the railway constructed actually cost in construction. This they found to be \$1,108,628, as is correctly stated by the Treasurer. By clause 2 they had to find what it ought, with due economy, to have cost, and they found as follows : For the Still- water to Reefton and the Brunnerton to Jackson's Section, \$550,021 ; Belgrove-Norris Gully Mr. Graham Section, £61,585 ; Springfield-Patterson's Creek Section, £63,178. That gives a total of £674,784 as the reasonable cost of the railway. They had to find also, and they found, that the sum realised by petitioners for sale of land, plus value of unsold land and land granted by Government for railway, was \$312,310, plus money found by Crown, £38,439, totalling £350,749. The difference, therefore, between the reasonable cost of the several sections of railway and the total amount contributed by the Crown was about \$324,000. It is a question for Parliament to decide how much or how little of this sum ought equitably to be paid to the debenture-holders. The Treasurer says, - "The Commissioners, on the hypothetical basis that the several contributing parties towards the creation of this asset should share in its distribution rateably, apportioned the selling- value of \$192,833 as follows : To the debenture- holders, £126,788 ; to the company, nil ; to the Crown, £66,045." I say again, Sir, that in finding this value the Commissioners were tied down to finding the selling-value on the basis of capitalising the net annual profit from the date of seizure, with the addition of limited prospective net revenue as the lines stood, without any reference to any further construction or extension of the different lines of railway, and simply taking them as they stood then, isolated pieces of work which of themselves as they stood could not represent their real value to the colony, but which, with the additions which are being made, are absolutely essential and valuable to the

colony, and they ought to be estimated at what their reasonable cost was. There is no doubt about that. Under the terms of the Commission it was simply an arithmetical sum, and that sum could produce no other result than that arrived at by the Commission. I have the calculations and can show them to any honourable member if desired. In proportion to the capital invested by each the share of the Crown was £66,045, and of the debenture-holders \$126,788. My time is nearly up, but I want, before concluding, to compare the salaries of the Ministers and Judges in New Zealand with the salaries of Ministers and Judges in Australia :- Victoria. £ Premier 1,400 . Chief Justice 3,500 .. Puisne Judges (each) 3,000 .. New South Wales. Premier 1,370 .. Chief Justice 3,500 . . Puisne Judges (each) 2,600 .. South Australia. Premier 1,000 .. . Chief Justice 2,000 Puisne Judges 1,700 .. . Queensland. Premier 1,000 .. Chief Justice 3,500 .. Puisne Judges (each) 2,000 ..

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New Zealand. Premier (exclusive of travelling £ 1,800 allowances and expenses) .. Chief Justice 1,700 .. Puisne Judges 1,500 . . In Victoria and New South Wales the Chief Justice receives two and a half times as much as the Premier; and in South Australia the Chief Justice receives twice as much as the Premier. In Queensland he receives three and a half times as much as the Premier; and in New Zealand the Premier receives more than the Chief Justice. The following is a comparison of the salaries paid to Premiers and Ministers in New Zealand and Australia :- Victoria. £ Premier 1,400 Five Ministers (each) 1,000 .. New South Wales. Premier 1,370 .. Six Ministers (each) . . 1,370 South Australia. Premier 1,000 .. Four Ministers (each) 1,000 .. Queensland. 1,000 Premier Seven Ministers (each) .. 1,000 New Zealand. Premier 1,800 .. Minister for Railways 1,500 .. Six Ministers (each). . 1,200 .. And, in addition, travelling allowances and expenses last year amounting to £3,335 15s. 11d. Take the Premier alone, and what do we find ? Salary, £1,800 = £36 per week ; travelling-allowances. \$259 10s. = £10 10s. per week for 173 days ; travelling-expenses, \$305 = £12 5s. per week for 173 days ; travelling-allowances, Cook Islands trip, £52 10s. = \$10 10s. per week for 35 days ; travelling allowances and expenses, Commonwealth, #251=£5 per week for the whole year ; Assets Board, £250=£5 per week for the whole year ; the " Tutanekai " trip to Cook Islands, £1,151, plus Secretary's photographs, literary author-a total of \$4,069, plus endless cost at Ministerial residence, et cetera. I have shown that the Premier drew thirty-five days' travelling-allowance for expenses attending the Commonwealth celebrations, although he had an invitation to the Commonwealth the same as I had. But the difference between his invitation and mine was that I had to pay my own expenses and he had his expenses paid for him. I have shown the outstanding liabilities against balance at credit of Consolidated Fund on the 31st March to be #206,828; and transferring \$500,000 as proposed to Public Works Fund would leave only £32,000 to meet these accounts, leaving a deficiency of £174,000 to be met out of future taxation. We have provided for out of future taxation. seen that the balance at credit of Public Works Fund on the 31st March was £232,000, while there were accounts owing of £1,292,000. So that. even when the balance of loan-\$800,000 \-authorised last year is raised, there will remain still a deficiency of £260,000. By transferring the proposed \$500,000 from the Consolidated Fund and raising the proposed fresh loan of £1,000,000 the available funds will only be £1,240,000, less cost of raising, instead of over \$2,500,000, as shown by the Treasurer. He has simply blotted out of his calculations altogether the £1,292,000 of debts owing on the 31st March. Although the Government has raised £2,225,000 by taxation for public works, the increased burden of interest on the general tax-payer is put down this year at \$135,450 more . than in 1896, not including €137,893, for which the colony is responsible, for interest on advances-to-settlers and land-for-settlements loans. While the population of the colony has, since. 1896, increased by under 10 per cent., the indirect taxation of the people has increased by percentages ranging from 27} to 74} per cent. The mortgage-tax falls upon improvements as well as on land ; it falls upon the mortgagor, not on the mortgagee, and most heavily upon small borrowers, just as rates do upon rent-payers. It is nearly five times as heavy as the

tax upon incomes. Mr. DEPUTY-SPEAKER .- Time is up. Mr. WILFORD (Wellington Suburbs) .- May I be allowed to make a personal explanation ? The honourable member for Nelson City, through over-sensitiveness, was unable to put up with a simple interjection from myself, when he there- upon made an unwarrantable, unfounded, and splenetic attack on myself. An Hon. MEMBER .- Is this in order ? Mr. DEPUTY - SPEAKER. - The honour- able gentleman must withdraw the word " splenetic." Mr. WILFORD .- I withdraw it, and say un- warrantable and unfounded attack on myself. He stated further during his empty oration that, as far as I was personally concerned, I was a member who dropped into the House and made a few interruptions, and that was all the work that I had done. My constituents would tell him otherwise. Now, I will say this on behalf of myself, egotistical though it may seem, and I am able to put this on record : that in the two sessions I have been in Parliament I have never been absent 'from my place for a day beyond the time allowed by Parliament, and have had no deduction made from my pay for a day's absence from the House. If the honourable member can say the same-and I know he cannot - he has got a good record. I would like, however, to say this : that it is an unjust thing for a member who has been so long in the House as the honourable member for Nelson City to make a charge such as he has made against a young member who is trying to do his best for his constituency and the coun- try, and it shows a poor spirit. I would like to quote a definition of over-sensitiveness to illus- trate the honourable member's position if I may do so. Mr. DEPUTY-SPEAKER .- The honourable member is going beyond the bounds of a per- sonal explanation.

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Mr. WILFORD .- If I am not allowed to | quote, I would like, in conclusion, to thank honourable members for the consideration they have extended towards me in allowing me to make this explanation ; and to the honourable member for Nelson City I would say that before I have been in the House much longer I shall endeavour to teach the honourable member for Nelson City that he will find when he attacks me that " Le jeu n'en vaut pas la chandelle " Mr. GRAHAM .- I am very sorry if I have - touched the honourable member in his sensi- tive part, but I did not do so until he had in- terrupted me several times in a very sarcastic manner. As to his statement that no deduc- tions have been made from his pay, there is nothing in that, because the honourable gentle- man's business is in the city, and occupies him during the day, and so long as he is here for five minutes and catches the Clerk's eye he saves his pay for that day. Mr. FISHER (Wellington City) .- I move the adjournment of the debate. Sir J. G. WARD (Minister for Railways) .- I was going to suggest that we might continue the debate, and adjourn until half-past two o'clock to-morrow, instead of half-past ten. If honourable members wish to speak to-night I think it only fair that they should speak. If they are not prepared to go on, well and good. So far nothing has been said in the course of this debate that could not have been said on the first item of the estimates. The House divided. AYES, 33. Allen, E. G. Mills Hogg Hornsby Barclay Parata Bennet Rhodes Kaihau Bollard Russell, W. R. Lang Tanner Buddo Lawry Lethbridge Ward Collins Wilford Gilfedder Massey Witheford. McGowan Graham Mackenzie, T. Hall-Jones Tellers. Fisher Meredith Hanan Millar Haselden Hall. Heke NOES, 10. Herries Arnold Tellers. O'Meara Carncross Field Carroll Stevens Symes. Fraser, A. L. D. Thompson, R. Majority for, 23. Debate adjourned. Sir J. G. WARD .- I move, That the debate be adjourned until half-past two o'clock to-morrow. In the ordinary course we should meet at half- past ten o'clock, but I think it will suit the con- venience of honourable members if we adjourn the debate until half-past two o'clock. Motion agreed to. Sir J. G. WARD .- I move, That the House adjourn till half-past two o'clock to-morrow. Captain RUSSELL (Hawke's Bay) .- Before the question is put I would like to point out it surely is informal. The House by resolution has decided to sit at certain hours on two days Mr. Wilford in the week. Is it possible to play fast and loose and change the sittings of the House every day without suspending any Standing Orders ? I cannot think that it is right, after having affirmed by resolution that on Tuesday and Friday the House shall sit at half-past ten o'clock, the honourable member should take advantage of the absence of

many who do not know what is coming on and move to alter the hour of sitting to half-past two o'clock. I cannot imagine that a proper thing to do. Mr. FISHER (Wellington City) .- I think the honourable gentleman in charge of the House ought to explain that the Privilege Committee which has been set up is to meet in the morning, and if the House sits in the morning in accordance with this resolution, and the Committee sits also, I shall not neglect my duty in the House to attend on the Committee. Mr.

DEPUTY-SPEAKER .- It is quite in order, I think, for the House to fix the hour at which it will meet on the following day, provided it is not an hour earlier than that already fixed by the order of the House. Motion agreed to. The House adjourned at twenty minutes to twelve o'clock p.m. ## HOUSE OF

REPRESENTATIVES. Friday, 30th August, 1901. Financial Statement-Breach of Privilege-Financial Statement. Mr, DEPUTY-SPEAKER took the chair at half-past two o'clock. PRAYERS. ## FINANCIAL

STATEMENT. ADJOURNED DEBATE. Mr. MEREDITH (Ashley) .- Sir, it is to be regretted that the Colonial Treasurer has not been present during this debate. We all know the reason of his absence, but at the same time I submit to the House that the case is unparalleled - indeed, unprecedented - in the history of our Parliament. Sir, do honourable members think that during a session of the Imperial Parliament Lord Salisbury would have been found absenting himself from the House and attending the funeral of the member for Aberdeen, Cork, or Belfast? Had the Premier asked for the adjournment of this debate until his return I would gladly have considered his convenience. Sir, I believe I am the fourteenth member of this House who has spoken to the Financial Statement, and I regret to say that so far no Minister has replied to the criticisms directed against the Financial

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Statement by the various members who have spoken. This is unlike anything I have experienced since I have been a member of this House. In 1891 the financial debate was taken up by the Hon. Mr. Bryce, who was then leader of the Opposition ; he was replied to by the Hon. Mr. Reeves, Minister of Education ; then followed Mr. Macarthur, a leading member of the Opposition, and he was replied to by the Hon. Mr. Ward, then Postmaster-General. In 1892 the financial debate was commenced by the Hon. Mr. Rolleston, and he was replied to by the Hon. Mr. Ward, Postmaster-General. That was what took place during the Administration under the Premiership of the Hon. Mr. Ballance. I regret that the same course has not been adopted during the present debate. It has fallen to my lot this afternoon to speak in a very plain manner on public questions, and, to the best of my ability, justly and fairly criticize the Statement that has been submitted to the House for its consideration and acceptance. At the same time, I wish to assure the members of this Chamber that the relationship between me personally and every Minister is of a most cordial and friendly nature; so if I have anything to say in the discharge of my duty as a representative of the people that may give pain to the honourable gentlemen on the Government benches I make no apology. In the Ballance Ministry we had some competent Ministers in the persons of the late Mr. Ballance, Mr. W. P. Reeves, and the late Sir John McKenzie - intellectual giants, gentlemen who understood public questions thoroughly, and who were always capable of defending their departments, and giving reasons sufficient to satisfy the majority of members of the House with their administration. Sir, I must compliment the honourable member for Riccarton on the speech he delivered last Wednesday night. His facts and figures were so carefully marshalled as to render his speech forcible, incisive, and convincing. It was a strong impeachment of the Government, which it will take a great deal to meet, and which it is utterly impossible to demolish. How Ministers of the Crown can sit on those benches demurely and placidly, and listen to the strong impeachment made on their various departments, is something I cannot understand. The honourable member for Riccarton disclosed such a state of affairs in the finances of the colony that the only conclusion an honest man can come to is that we are financially on the verge of a precipice. I listened with pleasure to the speech made last night by the honourable member for Dunedin City (Mr. Millar). There was a ring of truth and honesty about it, and a

note of warning. He clearly demonstrated to the satisfaction of members that the additions to the public debt during the ten-years administration of the present Government had reached the large sum of sixteen millions, omitting there- from the liability to the Bank of New Zealand of £2,000,000 and to the Assets Realisation Board of £2,800,000. Sir, during the recess we have had a number of Royal Com- missions set up-the Federation Commission, the Midland Railway Commission, the Rivers Commission, the Colonial Scale of Teachers' Salaries Commission, and the Coal Commis- sion ; and the expense of these Commissions, I presume, will not be less than £10,000 to the colony. Sir, in reference to the question of a colonial scale of teachers' salaries, the Minister of Education two years ago promised the vari- ous Education Boards and teachers employed in our primary schools that he would formulate a scheme for a colonial scale of teachers' salaries, and last session of Parliament the Hon. the Minister for Public Works, speaking on behalf of the Minister of Education, stated that the scale was completed, and would be submitted to the Education Boards at the close of last session. Finding that none of the Education Boards had received the promised colonial scale of salaries, I communicated with the Education Boards in Wellington, Canterbury, and Otago with a view of ascertaining what had been done -if any communications had been received by them from the Minister of Education re the promised scale of teachers' salaries, and if they had considered the promised colonial scale of salaries. In the course of a few days I received a courteous reply from each and all to the effect that no scale of salaries had reached them so far. I patiently waited, and, to my amazement, later on I found that a Com- mission was set up for the purpose of consider- ing the whole question. I ask, what was the Minister of Education doing in the meantime ? For two solid years he had been considering this question ; he had been actually incubat- ing over the colonial scale of salaries for two years. If that is the correct term to be ap- plied to the efforts of the Minister of Educa- tion, surely he should have brought forth something ? But he brought forth nothing. So that I shall have to adopt, instead of "incubating," the word "hibernating" as more befitting. Though the Minister of Edu- cation knew that this was a very important question affecting the whole community-and I venture to submit to this House that there is no question in which the whole community is so deeply interested as the education ques- tion-yet little or no attention was given to it by the Minister. Now, if the honourable gentleman had set to work he might have arranged for a Conference on this question, consisting of the Minister, the Inspector- General, say four Inspectors of Schools, four Chairmen of Education Boards, two male teachers, and two female teachers. I consider that any Conference or any Commission set up that did not provide for representation of the female teachers of the colony would be incom- plete in itself. If we recognise equality in point of standing in this colony of men and women, I think they were certainly entitled to have a place on any such Conference. I suggest, and had that been done I believe, a colonial scale of salaries might have been formulated at a mini- mum expense to the colony and that might have given the greatest possible satisfaction. I am not now going into the question of the

that the gentlemen on that Commission did their very best, and no doubt an opportunity will be given later on, when I shall go into the question, and hope to point out some of the objectionable features in the report that may be greatly improved. Sir, it has been stated by one member of the House who has already spoken that the Government, by appointing so many Commissions, on which were so many members of the House, gave room to infer that there was bribery and corruption on the part of the Government. I have the utmost respect for my fellow-members ; I would not for a moment insinuate or wish them to infer that I cast any slur on them : but I say that to set up so many Commissions, and place so many members of the House on those Commissions, during the recess gives the oppo- nents of the Government the opportunity, at any rate, of accusing them of bribery and cor- ruption. Sir, setting up so many Commissions alarms one, and we ask the question, has the Responsible Government of this country abro- gated its functions and delegated its powers to Commissions? It can only be looked on as a

weakness on the part of any Government when the members of that Government are incompetent to deal with great and important questions, and when Commissions have to be set up for the purpose of dealing with those questions. Sir, it appears to me that this country at the present time is governed by Commissions instead of by a Responsible Government. I have a suggestion to make to the Government : that the editor of the Australasian Review of Reviews be communicated with, and asked to write an article on "The Decline of Responsible Government in New Zealand, and the Substitution of Government by Commission"; or, better still, that the Government should employ the Rev. Joseph Berry, a cultured gentleman who is well known to the Premier of this colony, to write an article on the above subject, accompanying which there shall be a photo. of the Ministry, and that a copy of this Review shall be circulated throughout the length and breadth of Australasia at a cost of £260 to this colony. Sir, early in the session the Premier, no doubt by invitation, attended a meeting at Pahiatua of what is known as the Producers' Union. On that occasion the honourable gentleman addressed a public meeting, which was reported in the public Press. I was not present at the meeting, and therefore I only know what transpired from what was reported in the morning and evening papers published in this city. On that occasion the honourable gentleman indulged in strong language against what is known as the Farmers' Union. He characterized it as a Conservative organization, and as a resurrection of the National Association. Later there was a meeting of members of this House representing country electorates for the purpose of receiving a deputation from the organization I have just mentioned to explain the platform and objects of that organization. At the same time members of the House received an invitation to go to Palmerston North on the Jir. Ycredith farmers. Several members decided to accept the invitation. My honourable friend the member for Masterton attended the meeting of members of the House held in the Committee-room, and, I have no doubt honestly, in his way, pointed out to members that the meeting of farmers at Palmerston North was a meeting of a Conservative organization, and inimical to the interests of the present Government. I received a cordial invitation to go to Palmerston North, and I made up my mind that, if there were as many Conservatives amongst the farming community in Palmerston North as there were shingles on the house-tops of that borough, I should go and be present at the meeting. I attended the meeting. I was hospitably entertained, along with some nineteen or twenty other members of the House, and we gave the meeting some very good advice. We abused nobody, but endeavoured to assist them ; and if I might be permitted I will just read an extract from the few remarks I myself made to the meeting, so that honourable members will see I did not abuse the other side, and that I had something to say without abusing anybody. I recommended,- "(1.) Eliminate from your programme every vestige of political partisanship. We are a brotherhood with common aims and objects, for the furtherance of which we form ourselves into a union. (2.) Reduction in railway charges on the haulage of all farm-produce, including wool. (3.) The establishment of schools for dairying instruction to educate our young men and women in the latest and most improved methods of producing high-quality butter and cheese. (4.) To open up new markets outside the colony for the sale of our natural and manufactured products. (5.) To urge on Britain the desirability of a preferential tariff favourable to the colonies, and thus enable New Zealand producers to capture a larger share of the British market for our products, which market is now largely exploited by European nations. (6.) To subsidise ships to convey to foreign markets our raw and manufactured products. (7.) That legislation favourable to the farming and producing community should be passed, and all legislation inimical to the same community should be carefully watched." Sir, I have no doubt the members of this House will concur with me in the above suggestions I made to that important meeting of farmers. Since then meetings have been held throughout the length and breadth of the colony, and unions of farmers have been formed at the various centres of population both in the North Island and in the South Island. There can be no possible objection made to farmers organizing themselves to protect their own interests. The wharf-labourers organize, the tailoresses organize, the

carpenters and other trades organize, and surely there can be no possible objection to country settlers and producers organizing with a view to conserving their own interests and keeping an eye upon the legislation of this House. Sir, I notice that since the Palmerston North meeting the Premier

has not attended any meeting of farmers, and that he has dropped the whole question as the proverbial Irishman is said to drop a hot potato; and I have no doubt that in time we shall find the Premier, instead of denouncing farmers for having the hardihood to organize, attending socials and other gatherings of the farming community. Sir, when recently reading through the Financial Statement made by the late Hon. Mr. Ballance in 1891 I could not help noticing the leading features of that Statement and comparing them with the leading features of the Statement now under the consideration of this House. I am grieved to find such a departure from first principles. The people of this colony are indebted to the originating mind of Mr. Ballance for many useful measures on the statute-book which contribute to the well-being of the people of this colony. In his first Statement he sketched out the penny post. One would have thought the question had never been heard of, much less that Mr. Ballance had expressed himself in favour of it, but that it was entirely the outcome of the gentlemen who now occupy the Treasury benches. I do not want to detract one iota from the credit due to the Postmaster-General for bringing into operation the penny post, but credit is also due to the man who originally thought it out, though others have carried his idea into effect. Government advances to settlers originated with Mr. Ballance. In 1891 I placed a question on the Order Paper asking Mr. Ballance if he was prepared to adopt some cheap-money scheme to take up farmers' mortgages when they matured, and suggested that from the accumulations in the Post-Office Savings-Bank, Public Trust, and other departments of the public service advances might be made to farmers at a lower rate of interest than at that time obtained. I received an answer from Mr. Ballance to the effect that he had given the matter careful consideration, and that he was entirely in sympathy with my question, and that he had little doubt but that in a short time a scheme would be established in the direction I indicated in my question. Then, the same with regard to labour legislation, for which we are indebted to the Hon. Mr. Reeves. Then we had honesty of administration, clean-handed administration. We had economy in the public service, and we had a non-borrowing policy. Alas! how are the mighty fallen! I have here copious notes, but I am not going to read them, as the several subjects have been already referred to by honourable members who have preceded me. So that the most popular and useful planks in the Liberal platform were originally in the programme of Mr. Ballance's policy. Sir, I now come for a few minutes to the consideration of the question of our public debt. Sir, previous speakers have dealt very largely with this question, and figures have been given almost surfeiting members of the House. I shall endeavour to refrain from that as much as possible; but I would point out that the public debt according to the Statement at the present time is £49,591,145. The registered mortgages are \$35,032,110, and the unregistered mortgages five millions. Here we have under the head of mortgages a sum of forty millions. The rate of interest paid on these goes as high as 7 per cent., 6½ per cent., 6 per cent., and 5 per cent. We will take it at an average of 5 per cent., the interest on £40,032,110 amounting to \$2,001,605. Under the head of local bodies' loans we have £5,478,300 borrowed outside the colony, and borrowed inside the colony £1,579,050, or a total of \$7,057,350. The interest on the public debt amounts to £1,946,523; on mortgages, \$2,001,605; and the interest paid by local bodies to the sum of \$398,590: being a total amount of interest this colony has annually to meet, both public, local, and private, of £4,246,718, and that is an increasing quantity. There is not included in that the interest on short-dated Treasury bills, the interest on temporary loans from departments, et cetera. The public debt at the present time is truly alarming. The debts I have enumerated, including overdrafts and accommodations, reach the sum of a hundred millions of money, upon which we have to pay an average of 4½ per cent. interest. This, divided amongst the people of the

colony, reaches a sum of \$125 for every man, woman, and child in the colony, and for interest £5 6s. 2)d., or for a family of eight persons £1,000 of principal, with interest at #42 9s. 8d. Sir, I now come to the question of our railways, and I have to compliment the Minister in charge of this department. I have no fault to find with him. As a representative of the farming community, I am satisfied he has done his best in the administration of his department to meet the requirements of the community. The Statement discloses the fact that the total capital sunk in the construction of the railways of the colony has now reached £17,207,328. The excess of profits over expenditure is \$599,389, which gives £3 9s. 8d. per cent. on the capital sunk in the construction of our railways. The rate of interest we are paying for railway loans reaches an average of 4 per cent., so that the excess of revenue over expenditure falls short of interest by about £125,000 a year. During the present Administration reductions have been made on the haulage of goods, in the interest of both the producer and the consumer, to the extent of £420,239, but these concessions have been brought about by the expenditure of large sums of borrowed money on our railways. I look upon loans as a legitimate expenditure on the extension of our railways, and on all new works ; but my contention is that all renewals, all rolling-stock, all buildings, and repairs are a legitimate charge on the revenue. If \$300,000 of revenue had been devoted last year to renewals and rolling-stock, instead of having a surplus in excess of revenue of \$590,389 there would have been a credit surplus only of £299,398, which would only give interest at the rate of £1 14s. 3d. That would disclose the true position of the railways of the colony. As a farmer, if I have repairs to machinery, or purchase of new machinery, or any expenditure in the

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ings, all that comes out of profits, and not out of capital. So, in the same way, I consider that the amounts expended on railway-stations, new buildings of all descriptions, and rolling-stock of every description should come out of revenue, and if that were the case I think there would be disclosed a different state of things in connection with our railways. Members of the House understand the position, but the country does not understand the position ; and when it is stated that the railways give a return of £3 9s. 3d. per cent. the country at once concludes that the railways are giving a big return, losing sight of the fact that this is brought about by the expenditure of borrowed money, which does not place a true complexion to the question. In January last a Commission was set up for the purpose of inquiring into the question of Midland Railway Company's claims. That Commission sat for between five and six months, and it appears from the accounts sent in by the company to the Commission that the expenditure incurred in the construction of the railway was £1,108,628. That sum the Commission reduced to £674,784, and the Commission recommended the allocation of £126,788 to the debenture-holders ; to the company, nil ; and to the Crown, £66,045. A second Commission was issued on the 1st June, and under the provisions of the second Commission the recommendation is : the bondholders, nil ; the company, nil ; and the Government scooped the pool. Sir, it is utterly impossible for any sane man to read the report and evidence without arriving at this conclusion : that the bondholders have an interest in that railway ; and it is wrong for us as a Parliament to withhold from those people that which they are entitled to. I admit the case has been before the Courts, and the bondholders have no legal claim, but in equity they have a claim, and we are under a moral obligation to give effect to that claim. Sir, the Government of this colony must be clean-handed over this Midland Railway business ; no sharp practices will be tolerated by the people of the colony ; and, in case of default by the Government, I am convinced that the people of the colony will insist upon the Government dealing fairly with the bondholders. Otherwise the people will say, " Gentlemen, get you gone, and give place to more honest men." Sir, I know nothing about the bondholders, or about the Midland Railway Company, but I know the figures and the facts connected with the case from 1885 to date. I have, therefore, some knowledge of what I am speaking about, and, though the report of the Commission, under the instruction of the Government of the 1st June, states that the

bondholders are not entitled to any- thing, I think, as I have already pointed out, that it is impossible to arrive at any other conclusion than that they have a claim in equity for a portion of the money spent on the Midland Railway. Sir, I was amazed at one remark of the honourable member for Auckland City (Mr. Fowlds), who as a rule is very astute and careful, but on this occasion Mr. Meredith vernment upon the Budget Statement as it did not propose any increase of taxation. He further complimented the Government upon the fact that the revenue of this colony was equal to the expenditure, and that the dark forebodings of people would vanish into thin air when the Statement was generally read and understood. Sir, the honourable member is labouring under an illusion. What is the position ? The Premier stated some time ago, to a deputation that waited upon him, that it was necessary to have increased taxation by giving another turn to the screw on the lands of the colony. That statement went forth to the public, who were alarmed at it. The Pre- mier, being a very astute and resourceful man, and finding that he had touched a sore point, immediately altered his position and reached the same destination by another road. Instead of honestly declaring to the House and to the country that he could not carry on without increased taxation, he has accomplished his object, but in another way. The Government taxation department recently, when review- ing the taxation of the colony, have increased the capital value by £8,300,000, and the unimproved value by £6,375,000. Sir, the Pre- mier states that this increased valuation, being taxable, will give him about £10,000 a year. Of course, that is a paltry sum. " Money is no object," and we have been pouring it out like water, and the sum of £10,000 is of very little moment ; but this £6,375,000 of unimproved value will include in it not only the ordinary tax, but also the graduated tax, and taking it at the lowest figure-that is, 1d. in the pound- it will produce in taxation the sum of £26,562. Now, there is the turn of the screw. There it is, as plain as possible, accomplished by the Premier in his own way. Sir, I would like to say a word on the question of defence. It would be impossible to find in any other part of the world eight hundred thousand people more loyal to the Throne and Constitution of Great Britain than the people of New Zealand. We have demonstrated that to the satisfaction of the Empire-and, indeed, the world-by send- ing three thousand five hundred of our best manhood to South Africa to defend the old flag. The expense connected with sending contin- gents to the Commonwealth and to the Federal Parliament I consider was wasteful and ex- travagant, as there was no necessity what- ever for such displays of loyalty on behalf of the people of New Zealand-as the less was included in the greater. In the Financial Statement of 1891-92 the expenditure under the head of " Defence" reached \$77,296. The expenditure under the Financial Statement just submitted to this House reaches the sum of £213,252, or £135,954 in excess of this item during the years 1891-92. In 1891-92 the num- ber of officers and men connected with the Per- manent Forces of the colony reached 244, and in the estimates now there is provision made for a standing army of 490. Sir, the vote for last year under this head was £287,484. If we de- duct from that the cost of sending our contin

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gents to South Africa, amounting to £96,000, which is an exceptional item, we have a balance of £191,534 which we propose spending on the maintenance of the Defence Force of this colony. To spend money on fortifications and guns in the colony, which guns will become obsolete in the course of a few years on account of the pro- gress of inventions, and which will have to be broken up into old iron and sold for a mere nothing, is, I consider, one of the greatest blunders any Government could possibly inflict on the people of this young country. What we want to do in this colony is to encourage our citizen soldiers, our Volunteers, as much as possible. The young men in our country districts have taken a deep interest in Volunteering. As a rule, in the country districts they are all mounted. They have to buy their own horses, and go to a great deal of expense and trouble, outside any capitation allowance they receive from the Government. Our Volunteer system should be encouraged as much as possible ; but to have a standing army in this colony, as is proposed by the present Government, and to have it carried out to

such an extent as is set forth in the Statement, is a mistake, and I declare war against it. If we want to secure our position we should do so by increasing our grant towards the Imperial fleet. We are paying at the present time a sum of £21,000 a year towards the fleet, and I would be in favour of increasing that to £60,000, which would give a guarantee of 3 per cent. on two millions of money for the construction of men-of-war, so as to add to the fleet in the Southern Hemisphere. I would favour that, and I believe the House would fall in with the suggestion I have made. We have heard during the past year a great deal of Imperial jingoism on the floor of this House, until one is sick and tired of it. It may be very pleasant to the Premier and the Right Hon. Joseph Chamberlain, but it is not pleasant to the people of this colony, because they have to pay the piper, no matter who dances. It is a serious question, involving increased taxation. Sir, I regret to say that ever since the Right Hon. the Premier returned from his trip to the Old Country as the ambassador of this colony at the time of the celebration of Her late Majesty's record reign, the colony at large has noticed a great change in the Premier. The once broad-shouldered democratic Hon. R. J. Seddon has now become an inflated Imperialist. I hope the honourable gentleman will mend his ways, as already he must see the handwriting on the wall. Sir, I dislike to meet a man in military costume on the streets of Christchurch -not that I dislike a soldier, but that he is the embodiment of the parasite, a man who is not a wealth producer, a man who is doing nothing to build up this colony, but who is a burden on the taxation of the country. Let our young men be trained to work during the week and knock off for an afternoon to be drilled ; but to see these men strut about the street is a reflection on us as colonists ; and we ought to devote our energies to the formation of roads and the building of bridges, and building up the institutions of this country, instead of wasting our resources, as proposed in the Statement, on a standing army, which can only be a menace to the people of the colony. Sir, to show members the expenses connected with the administration at the present time, compared with the expenses connected with the representation of the people of this colony in this House, I give the following figures :- Ministerial Expenses, 1900. allowances. Travelling- Travelling- expenses. Salaries. Total. 8. d. £

	8.	d.	£
Premier	1,600	2 8	330 17 8.
Hon. J. G. Ward	1,300	230 10\	276 17 6
Hon. Walker	1,000	149 87 7 3	1,236 12 3 ...
Hon. Hall-Jones	1,000	161 7 6:	1,347 7 186 0 6
Hon. Carroll	1,000	294 15 233 0	1,528 3 8 0 ...
Hon. McGowan	1,000	81 0 119 14 9,	1,200 14
Hon. Mills	1,000	0 23 75 9 0:	1,098 14 5
Hon. Duncan	1,000	54 0 79 0 1,134	9 9 0 ...
Hoo. Cadman	61 5 6	67 6. 4 9 6	
Hon. J.Mckenzie	177 0 22 15 0	199 15 0 8,900	1,762 5 1,393 10 2 12,056 15 2

House allowance, eight Ministers, each 1,600 £200 0 0 ... Thirteen Secretaries for Ministers, at £500 each, including travelling allow- 6,500 0 ances and expenses 0 £20,156 15 2 The above does not include the expenses of the Premier to the Cook Islands, nor the cost of messengers and orderlies serving Ministers. Salaries and Allowances of Seventy-four Mem- bers of the House of Representatives, less Eight Ministers. d. B. 0 Mr. Speaker (Sir G. M. O'Rorke) 600 0 The Chairman of Committees (Mr. Guinness) 0 400 0 Sixty-four members at £240 each 15,360 0 0 Sixty-six members' passages 200 6 5 .. Sixty-six members' expenses 169 5 6 Sixty-six members' sessional allowance, each £40 2,640 0 0 . £19,369 11 0 As the sessional allowance of £40 for last session is not likely to become a recurring item, and deducting £2,640 from £19,369 11s. leaves £16,729 9s. to cover members' salaries and allowances, as against £20,156 15s. 2d., the salaries and allowances and expenses of eight Ministers. Sir, when the late Mr. Ballance introduced his Bill dealing with the constitu- tion of the Legislative Council, abolishing life- membership and giving a seven-years tenure of office, we thought that in practice it would be a good and useful measure ; but I question if any honourable member, after nine years' experience, holds the same opinion now. As a result of my own experience and close observa- tion, I honestly confess I would rather have the hereditary House of Lords of the British Parliament as the second Chamber in our - New Zealand Parliament than have the Legis-

year we celebrated the jubilee of the Canterbury Province ; the Premier was there, and we were pleased

to see him and treated him well, and he stated, in the fullness of his heart, that he would honour Canterbury by appointing a gentleman to the Legislative Council. He appointed a gentleman connected with the liquor trade in Christchurch ; and I venture to say if a referendum had been taken as to the appointment of a citizen of Canterbury to the Legislative Council 95 per cent. of the people would have voted otherwise than for putting Mr. Louisson into the Council. I say nothing against him personally, or against his reputation. Honour Canterbury forsooth ! Sir, there are hundreds of men in Canterbury 3.30. who have distinguished themselves in public life, who have devoted their whole lives unselfishly to the promotion of our institutions, and who have distinguished themselves in the Parliament of this colony, and yet all these gentlemen were overlooked, and a man who had never served in any capacity save that of Mayor of the City of Christchurch was selected to do honour to the people of the Provincial District of Canterbury. Could any greater insult be offered to the intelligent respectable people of the Provincial District of Canterbury than that appointment ? I say that the sooner the constitution of the Legislative Council is altered so as to be in touch with the enlightened opinions of the electors of this colony the better. It is an anomaly that this House, consisting of seventy-four members, should be elected by the people of the colony, and should be a reflex of eight hundred thousand people, and that we should have a second Chamber - one half the Parliament of New Zealand - in the gift of one man. Why, Sir, has there been anything in the pages of history to equal it? Here we are in the twentieth century, in this new colony, and we, the representatives of the people, tolerate the continuance of such a wrong. From my place in this House, and on the platforms in my electorate, I have advocated time and again the election of the Legislative Council. The Premier says, " Trust the people." Yes, trust the people. I am prepared to trust the people. I have been in the hands of the people for the past eleven years, and I am prepared to trust the people for the future. It is my duty, as a representative of the people here, to denounce all such irregularities and anomalies as the nominations to the Legislative Council of this colony. It cannot be denied that every appointee to that Chamber must swear fealty to the power that puts him there. Sir, in the Statement the question of remission of the mortgage-tax is referred to, and the Premier states that if he remits that tax it will be necessary to place an additional burden of taxation in some other direction. I have considered the question very carefully, and I support the member for Waihemo in his contention that it is an unfair tax to charge } per cent. of a mortgage-tax. It falls upon the mortgagor, very often the poor man. I say, remove this }-per-cent. mortgage-tax, and the result will be that Mr. Meredith money required by the settlers in the colony. I am willing to give the Government the greatest credit for its excellent management of the Advances to Settlers Department. It has been a boon to the people of this colony. It has broken down the back of a wealthy monopoly in this colony, and put a stop to the usurious rates of interest that have been charged ; but, Sir, the days of 10 and 15 per cent. are past and gone, and will never come to life again in this colony, and in my opinion I think if this }-per-cent. mortgage-tax were removed we would find private enterprise would advance money at 4 per cent. and 4} per cent., and there would be very little money required for Government advances to settlers. At the same time, I do not desire nor do I recommend the abolition of the Government Advances to Settlers Office. Let it remain, and if there is any attempt on the part of private investors and capitalists to raise the price of interest, then let the Government show its hand, and by so doing the whole thing can be kept in check. Sir, I regret the Government has not seen its way to submit to the consideration of this House a differentiated Customs on goods imported from Great Britain. We appear to give a preference to America. The imports and exports of this colony disclose the fact that, while our trade with the United States is only equal to half a million, the trade of the United States with us exceeds a million a year. A few days ago I went down to the wharf, and I saw there a large steamer of 10,000 tons. She was loaded to a very large extent with iron for our railways. Sir, I venture the opinion that, inasmuch as we are under a great obligation to the Mother-country, iron for that purpose should not be imported from a country that is

not prepared to deal even-handedly with us. The United States get more out of us than we can possibly get out of them, and I think that ordering iron rails, rolling-stock, et cetera, for our railways from the United States is a mistake. A preference should be given to the Mother-country, or I would rather see the whole of the rolling-stock required for our railways made in the colony. Let us double-bank the number of employés at the various workshops, and the result would be that we would keep money in the colony and find employment for our own people. I say we are under a great obligation to the Mother-country. That is our market for £10,000,000 out of \$13,000,000 of our products. Sir, if Britain were to put on a duty of 10d. a pound on our wool, butter, cheese, and mutton of last year's exports, it would mean on wool £146,569, on butter £20,124, on cheese £11,999, and on mutton £215,130, or a total of \$393,922. An Hon.

MEMBER .- America shuts us out altogether. Mr. MEREDITH .- Yes, America shuts us out altogether. I regret, Sir, that my time is about up. My friend the member for Lyttelton outflanked me yesterday. I intended when I spoke to move a resolution, and I will ask your guidance, Sir, as to whether it is in order or not. I move it in all sincerity. I move it as

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a candid friend of the Government. I have been a supporter, and one of the most consistent supporters, of the Government ever since I came here in everything that is right and proper. The motion I wish to move, Sir, is as follows : "That the estimates of expenditure for the year ending the 31st March, 1902, be referred to the Government with instructions to reduce the same by the sum of £50,000." Am I in order, Sir, in moving that resolution ? Mr. DEPUTY-SPEAKER .- One amendment having been moved, the honourable gentleman is not in order in moving another. Mr. MEREDITH .- Then, I regret that the honourable member for Lyttelton outflanked me yesterday. It was my intention to move that motion, not as a vote of want of confidence in the Government, but simply as an instruction to the Government from a candid friend. We must have retrenchment. The country demands it. We are going too fast. Mr. HOGG (Masterton) .- Sir, I need hardly say that I am rather sorry I am compelled to take a part in the debate at the present juncture, especially seeing I am required to follow a gentleman in this House who has been in the past not merely an associate of my own, but a compatriot on the Liberal side, and a close follower of the Ministry and their party. Notwithstanding the address he has just delivered I am inclined to think he has not very materially altered his views. He is still a sincere supporter of the Ministry, and he will be found, if any important division occurs, travelling with myself into the same lobby. I regret, Sir, that there are some of his views that I cannot exactly appreciate, and from which I must take leave to differ. For instance, he has referred to the constitution of the Legislative Council in a way that is by no means flattering to that body. Now, I am under the impression that since the party to which the honourable member belongs obtained power in the colony the Legislative Council has been materially reformed and substantially improved. Since the system of life-tenure has been abolished, and the members are simply nominated for seven years, what have we found ? That instead of throwing out our Bills without due consideration, as occasionally happened in previous years, members of the Council are to be found altering and amending our Bills, and, no doubt, improving them in many instances, but at the same time treating them in a way that is fair and reasonable. The result is that we have the two Chambers working comparatively in harmony instead of trying to strangle each other's measures, as they used to do a number of years ago. Now, we have an illustration in some of the other colonies of an elective Upper House. In the Colony of Victoria, for instance, where I have lived for years --- An Hon. MEMBER .- On what basis ? Mr. HOGG .- On the basis that you will find introduced into this country, very likely, if you try the experiment : on a property basis ; and you have the Houses working in antagonism, with the result that popular or liberal legislation cannot be passed in that colony. That is the effect of an elective Upper House, and that is the reason why I prefer a nominative Chamber in this country. If you want to have an Upper House elected on the same basis as the Lower House, then the proper course is to sweep it away

at once. With two bodies elected on the same basis you would have exactly the same representation, and there would be no object whatever attained. Then, the honourable gentleman joined with other members of this House in crying over Ministerial expenses. He thinks they have grown very large; but has he taken into consideration the fact that the great bulk of these expenses are never handled by Ministers at all ? They are distributed by the Private Secretaries. They go to pay the necessary expenses of travelling over the country, meeting people in various parts of the colony, and carrying out functions which are desirable if not necessary. I am perhaps as strong a believer in economy as any member of this House, but I am aware that when Ministers travel their expenses are necessarily considerable. These things are inevitable. Then, Sir, he almost got bushed amongst the Royal Commissions. He virtually wept for the Midland Railway bondholders. I should like him to devote a little of his sympathy and compassion to the taxpayers of the colony. If the bondholders are to be satisfied, who is going to pay the piper? Is it not the taxpayers? The bondholders invested their money in the belief that they were going to reap splendid dividends. Are the people of New Zealand responsible because they have not succeeded ? They have endeavoured to enforce their claims, but have been baffled before every tribunal, and, at last, the Government having appointed a Commission to go fully into the question, I think with the report of that Commission Parliament should be satisfied. I need hardly refer to what the honourable member said about the Producers' Union and the Farmers' Union. I can understand that he wishes to show he is the true friend of the farmer, but I should have thought, as a member representing a country district, that was superfluous. The farmers of the country know perfectly well who are their friends, and who are their opponents. An Hon. MEMBER .- The " National Ass." as you call them. Mr. HOGG .- There is no doubt about the birth of the union ; but I believe the right men have got hold of it at last, and the farmers are going to completely alter it. By this time I imagine the union has been re-formed, and I expect to see some good work performed by it. The honourable member also referred to the Teachers' Salaries Commission in terms not altogether complimentary. With some of his remarks I entirely concur. He found fault with the composition of the Commission. He said it had too many members of the House. There were only four members of the House appointed, representing not one-half of the Commission. And, as regards the charge of bribery and corruption, I do not think these members were in a position to bribe or be bribed. They only received

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hotel bills were paid and other necessary expenses met I am satisfied they had very little remaining. The honourable member regretted the absence of ladies on that Commission. In regard to that, I agree with him. I think the members would have had a much happier time, and the Commission would have been more enjoyable, if effect could have been given to his suggestion and one or two ladies added to it. But such a Commission might have been looked upon by the country and the members of this House as an unwarranted innovation, and the possibility is that it might have afforded a precedent that we would not care to contemplate. Now, Sir, leaving the honourable gentleman alone, I may point out this : that, so far as the discussion has gone, no Government has had fewer opponents to face, and I am not aware of any Government that has had such a large number of candid advisers. Nearly every member so far who has spoken has given the Government the benefit of advice more or less wholesome. I consider honest criticism free from flattery is the kind of criticism that should be bestowed on the Budget. While adverse criticism may be dangerous, I regard adulation as destructive. The most valuable reforms usually grow on hard soil. If you wish to develop good plants you must avoid a soil too rich or stimulating. If you transplant young trees from good soil and place them in inferior soil the result will be far from satisfactory. If we are to have good permanent reforms in this country we must see that the growth is not too rapid, and that is where I wish to give a warning note to the Government. We have been doing very well during the last ten or twelve years, but it is not advisable that we should abandon prudence in spending the money that we

borrow. An Hon. MEMBER .- Another candid friend. Mr. HOGG .- Yes, I believe I am. It is desirable that in carrying out our reforms we should treat them as plants of hardy growth. The oak from the time it is planted grows very slowly, but its roots become firmly embedded in the soil. Notwithstanding the weather and the adverse circumstances that may attend its early growth it remains durable, lasting some- times for centuries. There are other plants that grow comparatively quickly, and require to be fostered. Vegetables grow quickly ; but how long do they last ? If reforms are to be permanent they must be of slow growth, and cultivated carefully. Sir, let me tell you why I am a consistent and continuous supporter of the present Government. It is because I can- not possibly abstain from looking back on the picture of the past. I would ask, What has happened during the last ten or twelve years ? What changes has New Zealand undergone during that time ? I am sorry the subject is of such a character that I cannot do justice to it within the time at my disposal. I will raise the curtain, however, for a moment to show the scenes through which we have travelled. How did we find New Zealand after the battle that was fought on the 6th December, 1890 - a battle that will always be memorable in the annals of Mr. Hogg country at that time? Was it in a generally satisfactory condition ? How did we find the people of the colony situated ? Did New Zealand not resemble a man with a big family and lots of relatives living under a form of management that produced deplorable results ? There were the married and the single. Generally speak- ing, only the reckless would accept the responsi- bility of a family. Most people were, if not out of work, at any rate, in debt ; bankruptcies were numerous ; records of fires were to be found in the columns of our newspapers occupying a very conspicuous place ; and the bailiffs never had a better time, for they were busily engaged day after day. In what condition was the head of the family? Impecunious, and his credit stopped. When he went to Great Britain for his last loan, what was he told ? " Don't come back again for three years." That was the posi- tion New Zealand occupied before the British creditor. We were put on our good behaviour. We were told that we could have another mil- lion, but we must not come back again for three years. Could anything be more humili- ating? Expenses were cut down - they had to be cut down. Even the poor charwomen were not spared when that all-round reduction of salaries and wages went on under Conserva- tive management. Our boys and our young men looked longingly to the Australian goldfields for relief. When our girls left school to seek employment the avenues were so limited that it was almost impossible for them to get work. If they went to the Postal Department, or any other department of the State, were the doors not closed against them? Were they not told that women need not apply there, that because of their sex they could not expect employment under the State ? That is how we found things then. Mr. T. MACKENZIE .- How did you sur- vive ? Mr. HOGG .- I did not happen to be a girl. Possibly if I had I might have developed into a nurse, and then there would have been trouble with the honourable gentleman who has just spoken. But, Sir, the girls at that time were left to go into the warehouses to sweep the floors, to pick up pins, and to live on the atmosphere, and when old enough they had to choose between the broom and the scrubbing- brush and the streets in many cases. That was the way families were treated at that time. What was the position of our merchants and retailers? Many were piling up debts that would be found to be irrecoverable on their books. The property-tax was flourishing and spreading over the colony like a red rust, cor- rupting and burning up everything it came in contact with, until the spending-power of the ` Then, with people was materially reduced. regard to our landholders, both big and little, how were they faring at that time? Some of them were keeping up fine houses and good equipages, tigers in buttons, and appearances generally. They presided at functions, and called themselves the ehte; and when they were talking about the common people around

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them, whom they are now so fond of patron- ising occasionally, they referred to them as "groundlings"- no, I make a mistake-they " tickled the eaws of the ggroundlings." They could not pronounce the letter "r " ; they were so affected that they had to speak like John Chinaman. But, Sir, beneath all this apparent

wealth, beneath these tigers and fine houses and glorious functions, what abject poverty lurked ! Was not the land mortgaged ? Did not the people slave for their financial masters ? Were they not called upon to pay rates of interest over which they had no control, because they were virtually body and soul in the hands of their creditors and their bankers ? Who can tell the secrets of the sweating-room, or picture the scenes that took place in the offices of creditors and bankers periodically-between these men and the agents of the men to whom the money was owing? Were not they sinking deeper and deeper in the quicksands? Did not they have to face an ordeal worse than anything that was faced by Macbeth at the banquet ? And what was the position of the banks themselves-not merely the bank whose affairs I am very sorry to say have been referred to so often in this House, but the banks in general? Some of them for years had been paying large dividends earned partly by reckless lending to insolvent speculators. And now the day of reckoning was impending. Then, with regard to another portion of our family: take the workers. For strong men work was exceedingly hard and uncertain. It was too spasmodic. There were certain seasons when work was a bit brisk, but there were other long periods when there was no work obtainable. A period when men could find work came along like the measles, or some infectious disease, in the trail of every loan, and then left the colony to languish for months or years before it would return again. There was no steady employment for workmen, and with regard to those who did get work, how were they protected ? Take the case of the sturdy workmen to be found in my own district and in many parts of the North Island, the bushfellers. They had to work hard and sweat long to make a living ; yet how frequently they were swindled out of their wages ! and there was no provision to assist them. There were no such things as labour Bills to enable them to secure the money owing by the contractor or the principal for whom they were employed. Then we had plenty of accidents. We had our hospitals made 4.0. brisk with poor fellows with broken limbs brought in from the bush. And what compensation did they get? Some of them are still cripples : they are maimed for life; and yet no effort is made to repair their losses or alleviate their sufferings. When men were found on the roads out of employment, how were they treated ? What was said of them ? What about the contumely and insult bestowed on the labouring-classes of the country at that time. For why? Simply because men were out of employment and unable to get any employment, because they were wearing the clothes off their backs and could not get new ones, because the pangs of hunger compelled them to make their position known. What were they called ? They were termed " sun-downers " and " swaggers," decried and voted a nuisance even within the precincts of this House. In the public Press now and again there were paragraphs stating that one of these nuisances had visited a station or a farmhouse and asked for food, and would not chop a little wood so as to get a meal, and the verdict was " Served them right." They were sent to a whare hardly fit for a dog to sleep in, or into a shed to sleep, if they possibly could, among the ticks. Gates were locked against them, and on the gates placards were put, and in the papers advertisements appeared saying that no swaggers could be found in food and lodging any longer. And when they dared to ask for employment were they not warned off and told to go to the member whom they had elected, or to the Government which they had put into office? There was only one alternative and resource for men out of employment then. They had either to resort to crime or face starvation; until the local authorities, in view of the state of things that menaced society, had to go perforce to their rescue, and employ the police as relief officers, with authority to issue ration - tickets. We found among these unemployed strong men, good fencers, men acquainted with every description of farm and station work, men willing to go into the bush and carve out homes for themselves-for they cast hungry eyes at the land. But when they asked for the land what was the reply of the State ? They could only be given the freehold ; and they must have money before they could acquire it. There was no lease in perpetuity. It was absolutely impossible for the average working-man to secure a piece of land from the Crown. If he went to the private owners he was no better off. Most of the private owners had their land so heavily mortgaged that they were unable to sell it at anything like a reasonable

value. The workers looked over fences and gates despairingly. I dare say in some cases they felt like a fish out of water, and wondered if they had not better terminate their existence. Now we come to the old people. What was done with them ? They were left to freeze on that miserable thing called "charity." They were told to go into the alms- houses and old-men's homes, where husband and wife remained separated for the rest of their lives. They were forced to dispose of their heirlooms and wedding-gifts, and wear out their old rags : that is the way the old people were treated. New Zealand underwent a change of management. But after that change took place, subsequent to the election of 1890, it took years before the torrent of suffering could be stemmed. The clouds that had been dark, and producing all the depression, became darker still. Why? Because a fearful struggle was going on, a struggle worse in its intensity than that which is now going on in South Africa. It was a war between need and greed. The demons of misrule gnashed their teeth despairingly, for they knew their game was up. But they were determined to

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the inevitable. The new manager gathered a motley crowd around him and spoke to them somewhat in this manner : "Men and women, boys and girls, we have depression covering the colony like a mantle ; but you are thrifty-we know very well you are of saving habits, and are able to recover from the position in which you are placed. We must have no more borrowing ; let us go and fight the hard times. The financial institutions have placed a heavy weight on you, they are screwing you down, they are squeezing the very lifeblood out of you ; but if you will help me to reverse the screw, although it may be a tough fight, we shall prevail, and all will be well." Members who were then members of the House will remember what took place during the sessions of 1891, 1892, and those that followed. In 1891 nearly every one of the reform measures carried after desperate conflicts in this House were thrown out in the Legislative Council. The result was that no legislation of any importance was passed. The only policy measure of importance we were able to pass was that dealing with the question of taxation. We were able, because the Upper House had no control over finance, to abolish the property-tax and to introduce the land- and income tax. That got rid of the swag that had been laid on the back of the working- farmer. In 1892 we had land reform and electoral reform. The Land Act of 1892 remains on record as one of the best measures ever passed in this or any other country. It unlocked the land with a key that, notwithstanding all members may say about it, is, I maintain, a key of extreme value-the lease in perpetuity. Under that tenure homes have been established in every part of New Zealand, and especially in our bush districts ; and the peculiar virtue of this system of settlement is due to the fact that, where homes are established on the eternal lease, they are not afterwards uprooted. Then the bush, Sir, began to ring with the axe and slasher; men, women, and children fled from the cities, and escaped from the landlord, the rack-renter, and the private sweater. The only sweating to be found then amongst the working-classes was the sweat of honest labour, in which the worker himself participated. But the battle continued to rage -- the war of labour went on. The money-lender was driven mad. It is said that " whom the gods wish to destroy they first drive mad." We could see what was happening in the country. These men were obtaining homes for themselves without the aid of capital. But after they had expended their little all - when their last particle of sweat had been given to enrich the soil-it was necessary that they should obtain money for building-material, wire for fences, and so forth ; and when they went to the money-lender what happened ? They found " No Crown lease- holders need apply " written on the doors of the loan offices. They went from the private money-lender to the Government Trust Office and applied to the Public Trustee, and to the Commissioner of Insurance, and they had the same reply there. Only the freeholder could Mr. Hogg the Government Advances to Settlers Office had to be opened. If that office had not been opened and the Government had not come to the rescue of the leaseholder, the Land Act of 1892 would have been practically a failure. And now I want to do honour to whom it is due. Various parties have taken credit upon themselves for having brought about the era of cheap money in this

country ; but I think the credit ought to be fairly awarded to the private money-lenders who at that time refused to have any dealings with the Government lease-holders. Of course, Sir, there were sufferers. The bank shareholders had to suffer, because huge dividends were no longer payable. Money-lenders had to suffer, because the rates of interest were cut down from 10 per cent. and 15 per cent. to something like a reasonable amount; and the private landlords in our towns and in our centres had to suffer, because they found that their houses and paddocks could no longer be let at exorbitant rents. They were Samsons deprived of their locks. Then, Sir, as interest fell the land-values rose. The screw was reversed and the country ceased to bleed. Following up this legislation for the benefit of our workers, and of our small farmers, we had factory legislation, under which the conditions of labour were improved for the benefit of our young operatives. Buildings and premises had to be altered, and the hours of labour regulated in a way that has proved exceedingly beneficial to large numbers of our boys and girls. Uncle John became alarmed ; he began to call in his capital, and we found that the Australian banks, about that time, had to become reconstructed. Instead of becoming bankrupt, as business people would do, they took another method-they simply locked their doors, and shut out the bailiff. What did we do in New Zealand? We wrote off millions, and the millionaires and their tigers disappeared together. We reformed old Shylock. We stopped the reign of foreclosing and land-jobbing-of gambling with the estate that belonged to the people. We placed the people there, and gave them possession of their national property. That was partly the effect of our national reforms. But, Sir, the manager of the colony looked over his domains, and found there was still a large amount of land available. There were large estates here and there that had not been improved - where rabbits were thriving, but where the land was mortgaged and so embarrassed with debt that the owner could not cope with the nuisance. A great deal of that land was fit for cultivation. Milk and honey could be extracted from it, and butter and cheese could be produced on it. The manager of the colony said to the owner, "I will give you a fair price for the land." It was purchased, and in that way the army of producers in New Zealand has been greatly increased. Then, following these reforms, the old people were not forgotten. They were taken by the hand. They were not told to depend on charity, but given what they had a right to receive. They were

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given pensions. The Government said, "Inasmuch as in your younger days you have been good colonists, and seeing you have been twenty-five years in the colony; as you are now beyond work, and as you have helped to build up the country and make it prosperous, and as we have money to spare and a good revenue flowing in, we feel bound to give you the money you require to place you, if not in a position of extreme comfort, at any rate, beyond the reach of public or private charity. We will give you an old-age pension." The gruff banker became very civil and obliging. Our schools have also been multiplied, and we have no longer any Native difficulty to face. I have heard honourable members quoting figures against the Government, pointing out that our debt has been growing by leaps and bounds. But, have they considered the fact that the colony has been expanding in a way that was never known in any other young country ? Do they reflect for a moment that many of our exports have been almost doubled within a comparatively few years? What has happened with regard to our land? In 1888 we had under cultivation 7,309,680 acres, and in 1899 we had 12,515,802. Then, look how the values have risen ! acres. In 1898 the value of the unimproved land was \$75,497,379 ; in 1899 the value was £84,401,244. The improvements rose from \$35,640,335 in 1880 to \$54,190,103 in 1899. What do those figures mean ? That within the short period of eleven years the area of land under cultivation has increased by 5,206,213 acres ; and that since 1888 the value of our land has increased by twenty-seven millions and a half, of which eighteen millions and a half represent improvements. I ask, Is such a harvest as that to be expected without the expenditure of money and labour ? Then, to show the way in which the country has been affected by placing settlers upon the land, I may mention that in 1891 the flocks in New Zealand

under five hundred numbered 8,272; in 1899, eight years afterwards, the number was 12,719. The flocks of from five hundred to one thousand numbered, in 1891, 1,601 : and in 1899, 2,656; whereas the flocks of twenty thousand sheep and over during the same period diminished from 169 to 138, showing that while the small farmers became more numerous, some of our big sheep-farmers disappeared altogether. Then, Sir, with regard to the question of lending and borrowing : The first meeting of the Advances to Settlers Board for the purpose of issuing loans only took place in February, 1895-about six years ago. Up to the 31st March of last year there had been 7,448 advances made, representing a total amount of £2,179,440; and of those advances 60 per cent. were required to pay off existing mortgages at interest over 5 per cent. Now, the meaning of this can be realised when I mention that, from a return now upon the table, in the year 1899- 1900 there were 11,814 mortgages registered, the amount of capital advanced being \$7,454,000. Of that amount \$2,200,000 was advanced at 5 per cent., 216,000 at 7 per cent., and \$158,000 at 8 per cent. VOL. CXVIII .- 5. Mr. HERRIES .- That return is rather out of date. What about the year 1900-1901 ? Mr. HOGG .- We have not the returns for that year yet. I merely mention this to show you the immense advantage the Advances to Settlers Office has been to the colony. With regard to the railways, I think it is due to the Minister for Railways to point out how our railways have been improved, how the revenue has been increased, and the amount of work that has been done. In 1888 the lines opened represented 1,777 miles, and the receipts came to £997,615, or a little under a million. In 1895 the mileage was 1,993, and the receipts came to £1,150,851. In 1901 the mileage was 2,212, and the receipts £1,727,236. In seven years, between 1888 and 1895, we find that our railways were increased by 214 miles, and the revenue showed an increase of £153,236. In six years, or one year less, between 1895 and 1901, we find an addition of 219 miles, and an increased revenue of £576,385. Let me also call attention to this: that the earnings of the New Zealand railways are higher in proportion to their cost than they are in any other of the Australasian Colonies, with the exception of New South Wales, which earn about the same amount, and Western Australia, where railways are comparatively in their infancy. In 1895 the men employed on the railways numbered 4,957, and that number has grown since the Government took the railways over to 7,793- an increase in six years of 2,836. Concessions were made last year on produce and railway-fares amounting to £165,000. If we look at our Post-Office Savings-Banks you will find that there is the same flourishing state of affairs. On the 31st December, 1890, there were 97,208 depositors, who had to their credit £2,441,876; and on the 31st December, 1900, there were 197,408 depositors, who had to their credit \$5,809,552, or considerably over double the amount. Then, take our banks of issue. The amount deposited in 1888 was \$11,155,779, and in 1899 \$14,591,223, or an increase in the deposits in the ordinary banks of £3,435,444. I want to know where the signs of depression are, or the indications that the colony is going back, or that the people are becoming impoverished. The private savings-banks in 1888 had deposits to the amount of \$642,993, and in 1899 £807,907, an increase of £164,933. I might travel over the whole of our imports, and exports of wool, butter, cheese, Customs revenue, excise, coal, gold, and everything else, and you must admit that the increases are something wonderful. If the people of New Zealand will only contemplate the position they will see that although we have borrowed money and expended it we have had a splendid The Government have been unable to return. make bricks without straw. They have been unable to build up the country without utilising labour and borrowing capital where necessary. But with the capital borrowed and the labour utilised, look at the wonderful change that has been brought about ! Look at the increased value of property in the colony ! Look at the effect it has had on the labour-market ! Are

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place -swaggers seeking employment on our roads ? No; there is prosperity to be found on every hand. Our imports between 1888 and 1899 increased in value by £3,183,606, and our exports increased by \$4,536,129, of which £4,544,612 is the produce of New Zealand. Our wool has increased in value very

largely -- namely, \$1,209,619. The value of our frozen meat has increased £1,345,885. 4.30. Sheepskins, butter, cheese, and necessarily our Customs revenue, also our out-put of coal, have also increased. Our gold has increased from \$801,066 to £1,513,245. Mr. HERRIES .- What year's returns are you referring to ? Mr. HOGG .- I am referring to the returns for 1888 and 1899. Mr. PIRANI .- They are two years old. Mr. HOGG .- I have not been able to get later information, but, judging by the figures available in connection with land-values, and railways, and other matters, I have no doubt that there has been a proportionate increase in the subsequent years. Now, Sir, I would like to say a few words on the subject of education before I sit down. I travelled with the Commission appointed to deal with school teachers' salaries, and I had my eyes opened as to the necessity that exists for considerable reforms in our educational system. The report of the Commission is before honourable members, and at this stage I do not wish to refer to it in any way, because, being Chairman of the Commission, I hardly think it would be right for me to do so. I hope and believe, however, that if the report of that Commission is adopted the position of our school teachers will, without entailing any great sacrifices, be greatly improved, and the condition of our Education Boards, and particularly of our schools, will also be improved. I considered it an honour to be on that Commission. Generally speaking, my colleagues were experts. They devoted a good deal of time to the taking of evidence, and gave anxious consideration to the preparation of a report, which I am satisfied will be of advantage to the country. I know of nothing more likely to be of benefit to any country than the perfecting of its educational machinery. Education is the arms of a country. It constitutes the rifles, the swords, the bayonets, the ammunition, by which the battles of the people must be fought. It is our duty to give our people the benefit of the best education we can possibly afford. Every parent who has the slightest regard for his children will endeavour to give them as good a school training as possible ; and the State, being the supreme parent, should make it its endeavour to place at the disposal of the young the very best education possible. I hope the time is not far distant when the primary schools will be materially improved, when our secondary schools will be available to every class of children in the community, and when the education received there will be followed up by having the doors of our universities thrown open to those capable of receiving a higher education. But, Sir, Mr. Hogg now against extreme selfishness-that selfishness that has prevailed all down the centuries of the past. Fortunately, some of our most enlightened men are casting selfishness aside. They are placing little or no value upon mere money ; they are not afraid of those millions that some honourable members dread so much. The most enlightened men rise above money matters. They wish to give comfort and happiness to the people. They wish not only to see their sons and daughters happy and contented, but they have a heart and soul for the crowd outside as well. They do not seek to drive in palatial cars while they look through the windows at the starving crowd in the rain and mud. They have a heart and soul above that. What we want is legislation of the right stamp and reformers prepared to submit to insult and contumely, serene in the contemplation of doing their level best for their fellows. We require reformers-zealous, active, self-sacrificing, afraid of nothing that you put in front of them. Such men despise selfishness, greed, and avarice. They want to make the lands the property not of the few, but of the people. They want the industrious settlers in our bush districts tied down to their homesteads and not allowed to sell their properties, so that one man can come along and scoop up the whole of the country. These are the men who are looking forward to the future. We should look forward to the time when New Zealand will be much better off than she is now. Then, do not despise the army of co-operative labourers who were referred to in this House an evening or two ago. I wish, instead of over five thousand, they numbered fifty thousand, or five hundred thousand, because they are doing magnificent work in the country, and while doing the work of the country many of them are at the same time endeavouring to carve out homes for themselves and their families. They are doing a noble work ; they are making highways and by-ways through the bush in every part of New Zealand-over our mountains, into our hills -

and leaving a work behind them that for all time will prove a blessing to those who come after them. I contend that these men, notwithstanding anything disparaging that may be said about them, are \- earning their money dearly and honestly by the sweat of their brow, and they are leaving behind them a monument and memorial that will be regarded with gratitude by future generations. We must not allow the workers in a country like this to be maligned or misrepresented. But what have we been doing on their behalf ? We have been attacking the hoary-headed usurers ; we have been rescuing the small farmers from the clutches of the money- lenders, who were squeezing their 10 and 15 per cent. interest out of them, robbing them of all the profit of their farms. We have removed the load of taxation imposed on them through the medium of the property-tax ; and now some of our land-reformers would get rid of the lease in perpetuity --- Mr. DEPUTY-SPEAKER .- Time is up.

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was not my intention to have spoken at this stage in the debate on the Financial Statement ; but, lest this important discussion should terminate before the arrival of the Premier, whose reply to the criticisms of honourable members we would all like to hear, I think it is desirable that I should say a few words on the subject. I shall not devote a great deal of my allotted time in discussing the financial position, because we have not before us the necessary papers to enable us to come to a satisfactory and definite conclusion on the subject. I have listened with some degree of astonishment to the speeches delivered by several gentlemen on this side of the House, who have adversely criticized the Financial Statement, who have been loud in their denunciation of the Government policy, and severe in their condemnation of the financial position and proposals. I should have expected those gentlemen to have raised their voices sooner than they have done. I should have expected them to have taken exception to the proposals contained in the Financial Statement that we had before us last year. They did not do so. They remained silent on that occasion, and tacitly approved of a policy of borrowing on one hand, and throwing away revenue on the other-a policy which they must have foreseen would prejudicially affect the future financial position of the colony. Sir, if there is just cause for condemning the finances of the colony at this stage, there was also cause, I submit, for doing so twelve months ago. But it was not done. Hence one naturally asks, What can be the motive of these candid friends ? Why this change of front ? Why this approval of the policy twelve months ago and this disapproval of the same financial policy this session ? And, again, I find that some of the honourable gentlemen who are condemning borrowing and the increase of the national debt have, according to Hansard, been for years knocking at the door of the Treasury, and a glance at the public works estimates will show that they have obtained very large votes indeed for their respective districts. And it seems to me quite clear that as long as members will clamour-and each of us does clamour- for votes for our districts we must expect to have a heavy public expenditure in this colony. As far as my district is concerned, for the last nine years it has received very little benefit from the public expenditure, whilst in the case of other more favoured districts I see large amounts have been voted to promote the welfare and comforts of the people. I hope the Government will in the future pay more attention to the wants of my district, so that justice may be done to the claims and rights of the taxpayers in that part of the colony. As I have said before, it is not my intention to discuss the financial position of the country, because we have not the necessary papers here, without which it is impossible, especially for a young member, to get a grasp of the public finance. { our industries. The fact that we were right It is only after he has been here, and has had the experience of several years, that he gets a fair knowledge-in fact, even then he obtains When he gets a seat on the Ministerial benches, and not till then, can he get that knowledge and obtain that insight which will justify him in speaking with confidence and accuracy on these questions. But I have listened with interest to members who have spoken on the question of finance. The honourable member for Riccarton delivered a very fiery speech in connection with financial matters, and I found out afterwards that he was entirely wrong in his figures. So,

consequently, it is obvious that a new member is placed at some disadvantage in having to rely on the accuracy of the speeches delivered, instead of having the requisite explanatory documents and reports laid on the table of the House. I would not be surprised to find that after Ministers have replied to the criticisms that have been made quite a different complexion will be put on the face of matters. Mr. PIRANI .- That is what we are waiting for. Mr. HANAN .- Why does not the honourable member speak ? It is the duty of the Opposition to criticize the Financial Statement of the Government. I, as a representative, welcome criticism from either side, and I congratulate, to a certain extent, those members on our side who have had the courage to criticize the Budget in a candid or even hostile manner. An Hon. MEMBER .- What about the Ministers ? Mr. HANAN .- There has been no occasion for them to reply. We have had members on our side supporting the Budget and also criticizing it, but I do say this: it is the duty of the Government members in the interest of their party to exercise a healthy supervision over the affairs of the Government. I do not care what Government is in power, if it is given a long reign without a check it would fall into mistakes, and also perhaps commit grave errors. So I therefore say it is the duty of the Opposition to exhaustively criticize the Financial Statement, and I strongly condemn them for not performing that duty which they owe to their constituents and to their party in the country. They sat silent and did not say one word against the financial proposals of last session, and allowed them to be carried into effect without any complaint or protest whatever. I heard a lot about "dumb dogs " before I came into the House, but I do not think there is much ground for applying that epithet to members on this side. I find here that some members do exercise a certain amount of independence and judgment. I have not always voted for the Government. Strong exception was taken to some Ministerialists who did not see eye to eye with the Government in connection with the tariff proposals. We strongly opposed many items of expenditure, and also opposed certain remissions of taxation which we thought went in the direction of crippling in our opposition has been confirmed by the remarks of the Premier now in advising that we should go slow. It is a pity he did not

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after the elections with such a large following as he now possesses. It would have been more prudent if he had said, " I have a large following behind me; it is necessary we should go slow ; you must cut down your demands and lessen your clamour for public works for your districts." If he had said that he would have placed himself in a better position. There is a danger that the candid remarks made by the Premier and by members on our side of the House will tend to shake public confidence in our financial position ; and that is the reason I am anxious to hear the reply of the Premier to the hostile criticisms of those who desire to pose as financiers. I have no doubt he will give a lucid explanation of many of those complicated issues raised by various critics, give a clear exposition of our financial position, and vindicate the policy of his Administration. Coming to some of the questions I think we should deal with, I consider it is desirable that we should reduce our expenditure as far as consistent with efficient administration; but, on the other hand, it is necessary that assistance should be given to promote certain industries in this country. The country cannot stand still : we must progress. I very much regret to hear the cry raised in the House and out of it of town versus country. Mr. R. THOMPSON .- It is very nearly time it was raised. Mr. HANAN .- Just one moment and I will show you whether the man who has the interest of the colony at heart should raise that cry. I have no sympathy whatever with those who endeavour to raise animosity in that direction. I am prepared to do anything to legitimately assist the farmer in any direction in which he is justly entitled, and in any way in which his interest may be promoted, consistently with what I believe to be right. It cannot be denied that the colony would not hold its present splendid position as far as material prosperity is concerned if it were not for the wealth and progress of our towns. do not know at this moment the amount of wages expended every week by manufacturers in paying their workmen, but it is a very large sum indeed, and I would point out that it is expended largely in purchasing farm products.

We must not forget that the towns afford a splendid market for the farmers' produce, and therefore there should be a strong affinity between the farmers and the townspeople. It has been well said that agriculture calls manufactures into existence, and manufactures support agriculture. The integration of both brings about the grandest results. The present tendency of humanity is to have the greatest possible variety of industries gathered in each country-in each separate region -side by side. The farmer must not forget that manufactures created a demand for agricultural produce. Truly do agriculture and manufactures work in unison, like the wings of an eagle wafting the State to the realms of prosperity. Then, when we consider the large amount of concessions given to farmers every year in the way of Mr. Hanan perts, fruit experts, et cetera, it shows that substantial assistance is being rendered to the country settler. Then, there is a very large amount of money allocated every year by Parliament for roads, bridges, and railways, which directly benefits the farmer and increases the value of his land. The farmer, therefore, is not so badly treated after all by the townspeople. Then, again, there is a considerable amount of expense incurred in opening up markets for the disposal of the farmers' produce to advantage, and in subsidising steamers, which goes to show that a great deal of assistance is given to the farming community by the Government, and largely at the expense of the town populations, who get little or no return for the large amount of revenue they contribute. And now, forsooth, some through the Customs. of our country friends are inclined to look with disfavour upon all that legislation which has been enacted in the interests of the mechanic, the artisan, and the labouring man. All must know that while the farmer, raising the agricultural produce, exporting his wool and grain, is adding to the wealth and prosperity of the country, so is the handicraftsman contributing in a large degree towards the same great end. It may be said that we city members get a public building here and there a little more than that. Take the colony's great credit balance and what do we find ? The towns do not participate in the benefits of the surplus, but it goes to help the back settler and improve his property. Therefore I say that the person who has the welfare of this country at heart should not endeavour to set town against country ; he should do his best to promote the interests of each, because in promoting the interests of each he is helping the general interests of this colony. Closely connected with the question of the farming industry is that of agricultural colleges. I would like to see in each of the large farming centres throughout this colony agricultural colleges and experimental farms established. I think, Sir, it is the duty of the Government to endeavour to give the best instruction possible to our farmers. in order to enable them to make the best possible use of their land. It is necessary, if our farmers are to hold their own in regard to the quality of their produce with farmers in other countries, that they should have scientific knowledge. I admit that is being provided in many respects ; but I think we should encourage our farmers to patronise our agricultural colleges, and to send their children there, so that they shall have a technical knowledge of agricultural work. I should like to see, as I have said, experimental farms established in the large farming centres of this colony, because I recognise it is only a State institution which can carry on experiments which, when they prove successful, will be a great object-lesson to the farmers. I should like to see sites reserved for experimental farms near railway-lines, because as they progress they could be made self-supporting, and would be the means of absorbing a large amount of the labour that

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cannot find employment in our towns, thereby encouraging them to take an interest in agriculture, and in that way to be gradually absorbed in rural pursuits. Of course, I recognise that these farms could only be established by the Government gradually-say. year by year. Only a State institution can carry on any continuous experiments with regard to exotics, and the result of such experiments, if successful, would afford an object-lesson to the farmers, who would take advantage of it. Then, again, so far as experimental farms are concerned, not only would the land be considerably increased in value, but they would prove a great source of revenue to the Government. I should like also to see State nurseries

established, so that the Government could supply trees freely to farmers and others for the purpose of planting. This brings me to a subject which I think is deserving of greater attention, and that is forest conservation. There is no doubt that any person who goes through the country must view with great regret the scandalous way in which our forest lands are being denuded of their timber. Millions of feet of good timber are being destroyed yearly, and consequently thousands of pounds lost to this colony. I think it is desirable that more strict supervision should be kept over our forests, and that some attention should be directed to planting. There is no doubt whatever that if we go on as we are doing, and allow our forests to be destroyed, we shall soon have to import timber for building, and fencing, and other purposes. Now, that is highly undesirable. We are like, to some extent, the prodigal son -- spending our substance with no regard to the future. We have to consider the rights of those who come after us, and therefore I say it is wrong for the colony, in the interests of the future generations, not to devote more attention to this subject of forest conservation. Now, Sir, I think a subject of very great importance to this colony is that of the tourist traffic of this colony. I think that matter should receive more attention than it does at the present time. We have scenery in this colony that, taken as a whole, is unequalled in any other part of the world; but it is no use to expect people to come to this colony as tourists if they have to put up with hardships and privations in order to visit these places of scenic resort. We know that from Australia hundreds of people would come here yearly in order to breathe our invigorating atmosphere, and to get away from the din and bustle of city life and view our scenery, if we had better means of communication, better roads, tracks, and also better hut accommodation. I have not the slightest doubt that, if these scenic beauties were on the Continent or in America, every inducement would be held out in order to attract visitors there, and so turn to profitable account these valuable scenic assets -- the generous gifts of Nature. So far as the southern lakes are concerned -- take, for instance, Lakes Te Anau and Manapouri -- we want some means of communication from Otago to tap that beautiful lake scenery. When a visitor arrives in New Zealand he finds that considerable time is occupied in getting to these places, and that he has to put up with hardships, and consequently he does not go there. Therefore I would advocate, as a step in the direction of encouraging the tourist traffic in the southern part of the Island, that communication should be established with Lake Manapouri and with Lake Te Anau from Otago. Then, there is one thing I give the Government considerable credit for, and that is for passing the Act regulating abattoirs and slaughterhouses, and for securing the services of skilled Veterinary Inspectors. We have now placed the meat-supply of the colony on a very proper footing; and we have secured to the people not only the removal of all cause for anxiety as to the quality of the meat-supply, but we have been able to assure the people of the Old Country that our exports of meat are of a first-rate quality, and are of a class that should command the highest price. I believe the Government inspection which has been established will do much to place our exports of meat to the Home-country in a good position so far as commanding a high price in the Home markets is concerned. Sir, when we compare the meat inspection laws of this colony with those of other colonies we find they are not so far advanced as those of New Zealand. The Victorian laws, for instance, are very ineffective. They do not go far enough. They have not got that inspection of the local supply that they ought to have. One reason is that the butchers appear to possess some powerful influence which results in the retarding of legislation in that direction. Sir, I feel that it would be in the best interests of this colony to have a steam mail-service to Vancouver. By establishing a line of communication with Vancouver, and, consequently, with the great Dominion of Canada, with its five millions of people, we would open up a good field for our exports, more especially for our wool. I think that if ever there was a time when our products required more and better markets it is the present time. 'Our products have increased considerably, and the Government, it seems to me, are at their wits' end to find additional markets. Here, Sir, is an opening that I think should be availed of. Besides affording a further avenue for our surplus products, we would also be establishing a line of communication through

British territory with the Old Country. It would be a link that would bring us closer to the Mother-land, and a link that could not be easily dis- I think our rail- turbed in the event of war. ways are of the greatest importance in pro- moting the interests of the colony. They should be pushed on ahead of population, and population will follow them. Our railway sys- tem is paying well, and, as we want population settled on the land, therefore our lines should be spread out more than they are. I do not ad- vocate indiscriminate borrowing for lavish ex- penditure in connection with the construction of railways : that would be but remotely repro- ductive; but what I do advocate is that we should go in for a policy which has for its object the

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construction of light lines and of narrow-gauge railways. I believe that if we have to wait until broad-gauge lines are constructed there are thousands of acres in many parts of the colony which will remain unproductive for many years to come. It is therefore necessary that we should have cheap lines constructed, so that many struggling farmers may be able to get their produce to market. It is not right to put people on the land and expect them to cultivate it, unless some means is provided to enable them to get their produce to market and the seaports. New Zealand, to my mind, is, from its physical features, well adapted for both light lines and narrow-gauge railway- lines, which would offer many facilities to struggling farmers in the country districts, and, acting as feeders, would very much in- crease the traffic on the main lines. I am a strong believer in the narrow-gauge railways, especially through hilly country, and when it enables that country to be connected by line with a seaport town, so that the delay and cost of transshipment would be saved. In building narrow-gauge railways, we are adopting, to my mind, a temporary expedient for developing districts which would not be developed if we had to wait until railways on the broad-gauge system were constructed. Then, again, all the time that the development of these districts is going on with narrow-gauge railways there is a saving of interest on the construction and working of a broad-gauge line, because it is generally conceded that the latter costs about four times the amount of the former. And, in addition to that fact, there is also a saving in the additional cost required for haulage of the heavy rolling-stock. If we take a country with narrow-gauge railway system what do we find ? In Tasmania and other countries they have proved to be profitable concerns, and in India they return a profit of over 2 per cent. more than is returned by the ordinary railways. As regards the question of speed, we have only to take France, where there is a network of narrow-gauge railways, and we find that on a little 2 ft .- gauge line they carry 48-ton guns right round the walls of the city at a speed of twenty-eight miles per hour. I have to con- gratulate the Minister for Railways for his enterprise and boldness in reducing the railway- fares, a concession which has resulted in such a great saving to the people of this country. It is recognised, of course, and it often happens, that by the lowering of freights there is a cer- tain loss. But the loss is only temporary, because ultimately they have proved remunera- tive, when the object in developing the country has been attained. Among other lines which should be completed at an early date I would specially refer to the Seaward Bush Railway and the Orepuki Railway. They should, in my opinion, be pushed on with great vigour. Both these railways pass through a district which, so far as agriculture and production generally are concerned, is one of the most important in the colony. The Seaward Bush Railway, so far as it has gone, has proved to be a most remunerative line. Then, if we take the Orepuki line we Mr. Hanan find that it taps a splendid district, as regards its agricultural, timber, and mineral resources, and I believe that both those works will prove profitable undertakings so far as the State is concerned. I hope that every attention will be paid to them, and that they will be actively prosecuted. Closely connected with the subject of railways is that of coal-mines. Here in this colony we have a store of wealth which naturally belongs to us all, and which, I regret to say, is monopolized by a few individuals, and which is becoming exhausted as time goes on. The natural products of the colony should be utilised in ministering to the wants and comforts of the people. It is such minerals as coal, which

is of so great benefit and service to mankind so far as practical utility is concerned, that promote domestic comfort. If the State can build railways, if it can work the railways with the people's money, if it owns the railways in the people's name, surely in the name of logic and common-sense there is every reason why it should own the coal-mines. There is, therefore, no logical distinction between the State owning a railway and owning a coal-mine. If the State can run locomotives on the railway-lines as the property of the people, surely it can run the machinery in connection with working coal-mines ; and if the people have benefited by the railways being in the hands of the State, there is no reason why the people should not receive a great benefit by the coal-mines being worked under State control. Again, Sir, if the State can establish educational institutions and employ teachers, surely there is no reason whatever why the State should not engage and employ miners. I cannot see any distinction or reason why a principle which has been so serviceable to the people in many directions should fail to be of utility in another. So far as the principle in connection with State coal-mines is concerned, we are only extending a principle which has been adopted in connection with many other of our State institutions, such as public education, post- and telegraph-offices, defence, and railways. If those public departments are administered for the welfare of the people, I ask, Why cannot the State do the same and secure similar beneficial results in connection with coal-mines? Every day we know that coal is becoming scarcer and dearer. We know that it is an article of everyday use by the working-classes, and the increased price of coal now is a matter of great concern to them. Therefore it behoves the Government, if they are to consider the interests of the working-classes of this colony, to endeavour if possible to provide them with cheap fuel ; and I believe the action of the Government, should they open a State coal-mine, would be a step in the right direction. The tendency is for the State to get back what the State foolishly parted with, and we are paying dearly for it so far as our lands are concerned. Then, apart from that aspect of the question, there is the benefit which will accrue to the Railways Department, which is the greatest single purchaser of coal in the colony, if we establish a

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State coal-mine. In America a coal-mine is considered part of the equipment of a railway company. I believe 37 per cent. of the railway companies in America have coal-mines connected with their plant, because they recognise that so much depends on the supply of fuel, and that if they own a coal-mine there is not the same likelihood of the railways being disturbed by labour troubles or by the scarcity of coal. It is said that the railway companies work the coal-mines to the best advantage. But we have another duty to perform in regard to State-owned mines, and that is to have a due regard for the benefit of those who come after us. There is no doubt a great deal of waste going on at the present time, and it is our duty as far as possible to conserve these mines, and work them economically and to the best advantage. Adverting for a moment to the question of municipal loans consolidation, it does seem strange to me that the Government should advance loans to local bodies for the purpose of carrying out certain public works, while other bodies that have carried out many public works, and have borrowed largely for such purposes at high rates, are denied the privilege of obtaining money from the Government at a cheap rate of interest for the purpose of consolidating their loans, and thereby effecting a great reduction in regard to the payment of the very heavy interest bills annually on their present loan indebtedness. It is in the interest of the people of this colony that the Government should assist local bodies to consolidate their loans. We know that the question of rating is an important matter not only for the owner of a house, but also to the man who rents it. If taxation is high, it means that there will be increased rent or another burden imposed on the tenants. The amounts which the local bodies have to pay in interest form a very large sum indeed. What does that mean ? That all means increased taxation, which falls on the people, and, unless something is done to enable the local bodies to secure a lower rate of interest, it means that ultimately the people will not be able to bear the burden. This is a question

which concerns not only the merchant and landed proprietor, but also the small householder. I therefore would urge upon the Government that they should not only give attention to the colonial finance, but they should also seriously consider the local indebtedness. It is absolutely necessary to take a broad view of this question, which is of such paramount importance. I cannot understand why the local bodies of this colony do not persistently and consistently urge upon the Government the necessity of doing something in the direction I have indicated-in fact, it is only a question of time when the Government will be compelled to do so. I will now refer to the question of land-settlement, which I think is of the greatest importance to this colony ; and, as I have not spoken on this subject, I think it is desirable that I should say a few words now. I am a strong believer in the policy now being pursued by the Government of resuming large estates for the purposes of closer settlement. It is not right that the settlement of land should be left to the untrammelled energies of individual enterprise, or to the unrestrained grasp of the capitalist or the speculator. The Government should assume the office of settler. As a New- Zealander who ardently wishes to see the best interests of my native land conserved, I emphatically protest against the alienation of what is undoubtedly the birthright of the whole people -the heritage of generations yet to come. By what right, I ask, has any Parliament the power to barter away the only means of subsistence of the future generations of this country? If we had now in hand a great deal of the land that has been sold, we should, on account of the revenue by way of rentals that would be derived from it, be relieved of a large amount of the colonial taxation we have now to pay. One effect of refusing to further alienate the fee-simple of Crown lands would be to deprive land to a large extent of its speculative value, and, consequently, land would be made more readily available to those who wanted to use it. It may be said that you do not get the same favourable tenure under the leasehold as under the freehold, and therefore I will deal with that phase of the land question. You want to assure a man who takes up land that he will get the benefit of his improvements, and if he desires to leave it he can transfer it to his successor or surrender it to the Crown and receive fair and adequate compensation for the improvements he has effected. If you want to settle people on the land you must offer facilities to enable them to obtain money to get a start on the security of the improvements they make. You must also provide railway communication, and see that the work of road-making is attended to. It follows that, if we dispose of all our Crown lands to-day, there will be no option for the people of to-morrow but to become leaseholders. I contend, Sir, therefore, it is better for the users of land to be leaseholders under the Crown than under Over and over again the private owners. teaching. of history has shown that where land is acquired in fee-simple, either by purchase or by conquest, the tendency has been for it to become aggregated in the hands of a few individuals, a system which has led to the discontent and misery and enslaving of the great mass of the people. Mr. MASSEY .- Quite the contrary. Mr. HANAN .- Take the Old Country, take Ireland, for example, where landlordism has been a curse. An Hon. MEMBER. - Quite right. Mr. HANAN .- I will give the honourable member for Franklin some information on this point : "England, the land of the English, does not appear to have any claims on the majority of its sons." It contains 77,000,000 acres of land, which are divided as follows: 1,000 men own 30,000 acres ; 15,000 men own 50,000,000 acres ; 180,000 men own the whole of it when lots of less than an acre are excluded. Taking Scotland, we find 300 men own two-thirds of the land of that country, 1,900 men two-thirds of the land of Ireland, and 10,000

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It has, been therefore, truly pointed out that the remainder of the 38,000,000 inhabitants of the British Isles are allowed to scramble for the rest, and it is therefore no wonder that the vast majority has to go without any. When it is also considered that the landless have to pay nearly the whole taxation, inclusive of many millions a year given to the landlords for the purpose of improving their properties, is it to be wondered at that the majority of the people are not happy or prosperous. In Great Britain the average size

of the holdings is 390 acres. In the United States the average size of the holdings is 137 acres. Even in the United States millions of acres of the very best land are owned by members of the English House of Lords and others of the English aristocracy. What did John Morley say in 1893, when referring to the Australasian Colonies ? He strongly condemned the practice of the colonies in alienating or selling the public lands, and said that as population increased we would have here many of the evils that are complained of in the Old Land-evils that have impoverished the masses of the people to make princely incomes for the few favoured landlords. Many other eminent statesmen in the Old Country have condemned this practice of disposing of the freehold. And, regarding the freehold tenure, what does it mean after all ? It is an ivy-grown custom or method of landholding that has been handed down from ancient times, and regarded with a reverence and awe bordering on the superstitious. Joseph Chamberlain, referring to land monopoly, said,- " The sanctity of private property is no doubt an important principle, but the public good is a greater and higher object than any private interest, and the comfort and happiness of the people and the prosperity of the country must never be sacrificed to the exaggerated claims of a privileged class who are now the exclusive possessors of the great gift of the Almighty to the human race." I have always advocated the non-alienation of the fee-simple of our public lands, not only with a view to secure funds to carry on necessary public works without resorting to unnecessary taxation, but because I recognised that before long we must arrive at a state of things when we will find that we shall suffer, though in a minor degree, from the same over-population which existed in older countries : when that day came, the pressure of land-monopoly would be felt. I feel satisfied that if the question of the freehold versus the leasehold were put to the people of New Zealand by way of the referendum, fairly, fully, and clearly, the will of the people would be, and they would decide, that they would not agree to dispose of one more foot of our public lands, and consequently preserve the rights of posterity.

An Hon. MEMBER. - Not to get money ? Mr. HANAN ..--- Not to get the purchase-money, which when it is obtained is only spent : and then you find after such money is gone that your source of revenue, in the shape of the land, is gone also. Let me deal with the ! Mr. Hanan censures the municipal bodies. We know that were it not for the leasehold assets-the reserves that have been given to local bodies in this colony, and which are bringing them in a splendid revenue-they would have had to increase their taxation. This would apply to each of the large towns, and those leaseholds, with their rentals, have undoubtedly been the means of stopping the increase of municipal taxation. Well, supposing the local bodies had the power to dispose of the freehold, and had disposed of it, the money would have gone ; it would have been freely spent on many things, and they would not have been any better off, and the final result would be increased taxation. The possession of a large amount of municipal leaseholds by Corporations in the Old Country have been to them very valuable assets. The City of London, Glasgow, Liverpool, and Nottingham Corporations have received such an amount of rents therefrom that they have enabled these local bodies to carry out undertakings for the general good without imposing heavy burdens on the ratepayers. In 1895 the municipal funds of Nottingham amounted to about \$30,953. The London Corporation derives \$160,000 per annum, or one-fifth of its annual revenue, from their corporate estates or municipal leaseholds. Where land is owned by a Municipality not only can it be made a source of revenue by leasing, but the increase in value of the property which takes place is secured for the benefit of the community, and not for individuals who have done comparatively nothing to earn the increment in value. Moreover, public health, public comfort, and progress cannot but be greatly promoted by the municipalisation of lands. It cannot be denied that it is in the power of private holders of large areas of land in towns to make or mar the progress of such towns-to alter the shape and outward character of the town by withholding land from sale, or imposing onerous conditions in building leases. Then, we talk about inducing people to come to this colony. If the State parts with all its public lands, what encouragement will there be for people to come out here to deal with third parties ? Are we to dispose of

our lands so that they will finally fall into the hands of a few individuals who would become landlords, while the rest of the people in the colony and those who might come to it would be left landless? It is parting with the public estate to give away the freehold. Those of us who urge that the State should cease alienating the public land do so with a view also of securing to the people in the future the increment in its value that had not been earned by those who occupied those lands. Then, again, what does the history of other countries tell us? That where land is parcelled out as much as possible amongst the great masses of people, that country is very prosperous, and in a better condition than where the land is held in large estates. That has been the case in France, where you have " occupying farmers," who make the very best use of their land. In that country we find there is multiplicity of small holdings ; and it is undoubted

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to France; and we also find that since the system was adopted in France great improvements have been made in other countries in connection with the working of the land-laws, and the cutting-up of the land and the parcel- ling it out amongst the people. Even in Russia the Government took by force one-half of the lands of the nobles and gave them to the serfs. Under the leasing system of tenure a man re- tains his capital to buy stock and plant. Imme- diately a man purchases the land he uses capi- tal that would be better employed working the land. Taking all things into consideration, it would, I repeat, be in the best interests of the State and its people if we do not part with the fee-simple of another inch of our public lands in this colony, because the State gets better results not only as regards revenue, but in many other ways. I might say, further, that I cannot understand why the revenues that we derive from the sale of our public lands should go into the ordinary coffers of the colony to swell the consolidated revenue. It seems to me that that is a wrong principle, because it is clearly a case of living on our capital. I think that money should be applied either to paying off our national debt or to the fund that is required for the purpose of resum- ing other lands. Reverting to the subject of the purchase or resumption of private lands for settlement purposes, it appears strange to me that our Government should be purchasing land in many parts of the colony practically in the wilderness, away from the railway-lines, while we have lying alongside the railways large areas of splendid land that could be pur- chased and made available for settlement pur- poses. Why not take up the land where the railways are, and where the people would have public conveniences to make their farms re- munerative at once through easy means of connection with markets and the rest of the colony ? Where is the wisdom, or the great advantages to be gained, by putting the people on the back blocks in a wilderness when all this land is lying idle in the neighbourhood of rail- ways, and where settlers would have the advan- tage of roads and other necessary conveniences ? As I said before, what we want in this colony, so far as the individual who takes up land is con- cerned, is to give him security of tenure, and that security of tenure is to assure him that he will get the benefit of all the improvements he puts on that land, and all that he has ex- pended by way of labour. There is, let me tell honourable members, in law no such thing as absolute ownership of land recognised except in the Crown. You can no more claim the right of absolute ownership in land than you can claim the absolute right of ownership to air or water, or any other natural gift of the Creator to man- kind. Now, Sir, I would just like to make a few observations on the subject of Ministers' replies to questions. It does seem strange, Sir, that when we get replies from Ministers on matters affecting our electorates we find that those replies are often in toto the replies of some local I have been advocating for my district two officer. If members want the reply of a local tain it. It is in the power of any local officer, under the present system of Ministers' answers, to balk a necessary reform or improvement in a district. I do not think that is right. It is desirable, in the interests of efficient and progressive administration, that the Minis- ters should go throughout the colony ascer- taining some information as to what the re- quirements of the various districts are, and acquiring some local knowledge, so that then they would be able to exercise their own opinion and not be entirely or unreasonably swayed by the opinion of a local officer. Why, Sir, we may pass

liberal, practical, and progressive legislation, but we must also have infused into our administrative departments vigour, efficiency, and impartiality. We must have officials who will not balk reforms, and the only way we can get administrative reforms is by the Minister exercising his own opinion and judgment irrespective of the opinion expressed by an official. It seems to me that the sole desire of officials is to please the Ministers by their ability to economize and keep down expenses, no matter what the result may be. But one thing I have noticed is this : that when it comes to a question of increase in salaries these gentlemen in Wellington know how to look after themselves. In my district I could give the names of two individuals who deserve substantial increases in the remuneration for their work. I do not intend to mention their names in the House, but I know from my own professional experience of these men that they are entitled to better salaries. But they have got paltry increases, while I notice that men nearer Wellington have obtained substantial increased pay. It is not only unfortunate for the Civil servants, but for the town, that we are so near the South Pole and so remote from Wellington. To some extent that is the reason why the town has not received justice in the past, and why the officials there do not receive due recognition. Ministers will hesitate to give an underpaid Government employé a rise of, say, \$10 or \$15, while they will increase substantially the head officials' salaries. Then, if a member wants something very important for his district-it may amount perhaps to £100 - he sometimes is refused. But look at the estimates : what do you find there? Sums voted for purposes that are of little benefit to the country. I repeat that, as far as the different departments are concerned, it is necessary that Ministers should exercise more care and exhibit greater independence in carrying out their duties. They should not be ruled, and guided, and hypnotized by their officials. We do not want officialdom in this colony ; we do not want bureaucratic rule here. We want responsible men to administer the affairs of the colony in a businesslike manner, and to infuse vigour and vitality into the departments over which they exercise control. Sir, the people of the colony have put Ministers in their positions for the purpose of exercising their own opinions, discretion, and judgment. Since I have been in the House

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adduced valid arguments which cannot be controverted in support of my application, and I cannot yet get altogether satisfaction. An Hon. MEMBER .- A new gaol ? Mr. HANAN .- Yes; a new gaol is much needed ; the old structure is now the crumbling ruins of ancient days, and not adapted to the necessities of the present time. It is very difficult to get Ministers to carry out any substantial improvement. The Minister of Justice has been down there recently, and saw the building, and has, I understand, decided to have a new gaol. Then, as regards the police district, I have pointed out to the Minister over and over again that we should have Southland constituted a separate police district ; but so far I cannot get a definite reply, although if the honourable gentleman knew the volume of business transacted in the district he would see the necessity for it. We should also have a separate Volunteer district, by reason of the number of the Volunteer companies. An Hon. MEMBER .- More gold lace ? Mr. HANAN .- Not more gold lace, which, I take it, refers to members of Volunteer corps. But I should like to remark in this connection that during the time the present Commandant has been in office we have seen him twice in Southland during the five years. What is the use of appointing a man if he is going to sit in his office, write letters, and endeavour to transact the business of the colony from Wellington ? We want a man to visit each locality, see the Volunteers, and ascertain what the officers are doing. But this has not been done in the past. I hope the new Commandant will go through the colony and come into contact with the local Volunteers, and utilise his knowledge and experience in putting our Volunteer system on a better footing. It is not my intention to occupy time in dealing with the matter of the speedy erection of railway workshops, as I have already urged the same upon the Minister ; but, in passing, I might say that a great injustice was done by the removal of the workshops from Invercargill years ago ; and when we consider the fact that an engine has to be sent to Dunedin for a coat of paint, or to have trifling repairs effected, it must appear quite obvious

that the time has arrived when some alteration in this state of affairs is necessary, and when machinery will be provided for doing such work at that important railway centre. I hope, Sir, to obtain substantial votes to improve the roads in the Seaward Bush district, part of my electorate, which is a new settlement. These roads are in an exceedingly bad state. ## BREACH OF PRIVILEGE. Mr. HERRIES (Bay of Plenty) .- 7.30. Sir, before you start I wish to inform you of a breach of privilege, or what I think to be a breach of privilege. I have here before me a copy of the Dunedin Evening Star of Tuesday, the 27th August, and I find five columns of the evidence that has been given before the Mines Committee. I am a member of that Mr. Han- committee, that we are still subject to the suspicion of having divulged evidence to this newspaper .. This seems, so far as I can judge, to be the whole of the evidence taken on the second day that the Committee considered Mr. Easton's petition. Sir, I think some steps should be taken, otherwise it seems to me that the whole of the evidence that has been taken before this Committee will day by day be disclosed in the Evening Star. I asked the Chairman of the Committee whether he was going to take any action in the matter; and he said he would do so if he was directed by the Committee. But it appears to me, if we wait until Thursday, the day on which the Mines Committee meet, that the whole of the evidence that has been given might be published in the Evening Star. I submit it is wrong for this House, and wrong to the people who have come with evidence, to have the evidence published in any paper in the colony, besides being a breach of our Standing Orders. It is quite possible that the Committee may not lay the evidence on the table of the House .. The Committee have not resolved to lay the evidence on the table of the House, and it is quite possible they may not do so. An Hon. MEMBER .- It may not be correct. Mr. HERRIES .- No, this is certainly not a corrected copy; and, Sir, it seems to me that the leader of the House at present should take some steps in order to prevent any further publication of the evidence taken before this Committee. I only call your attention to it: it is for the leader of the House to move it as a breach of privilege, which I presume he will do, otherwise I should move it myself. A special Committee has been set up, and I presume he will also move that this be referred to it. The CLERK read the extract from the newspaper, as follows :- " William Holsted, giving evidence before the Mines Committee on a recent occasion, said, ' I am the secretary of various companies, and reside in Dunedin. I know Mr. Cook and Mr. Easton. I was managing for Mr. Cook at Dunedin up till the 13th April. Dealing first with the Tucker Flat Company, I find, on consulting the share register, that Mr. Cook holds 800 contributing shares. Vendors' shares were not allotted. I am not aware of the number of vendors' shares that he was to have obtained. The agreement gives the number at 1,500 fully paid-up shares, which apparently, according to the prospectus, were to have been distributed between the vendors. Six thousand contributing shares were taken up. All were fully subscribed.' " Will you explain why the vendors' shares were not allotted ?- That was a matter for the directors. The company's solicitor advised them not to allot the vendors' shares until certain documents had been completed. " According to the share register, Mr. Cook owes #65 in calls ?- Yes; there have been two calls struck-he owes one call.

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1901 ?- Yes. " Mrs. Cook owes £100 in calls ?- Yes; the first and second calls. " Has any shareholder been summoned for calls in this company ? - No. " To Mr. Easton : The articles of association in the Tucker Flat Company are signed by William George Somerville, stationer, Dunedin ; Charles Leijon, Dunedin ; Allan Holmes, solicitor, Dunedin ; J. Davidson, accountant, Dunedin ; James Gregg, Dunedin ; William Holsted, manager, Dunedin ; and Thomas Henry Thompson, accountant, Dunedin. Each of these seven gentlemen is responsible for one share. I take it that Mr. Somerville holds fifty or a hundred shares ; Mr. Leijon the same ; but Mr. Holmes is the holder of only one share. That is not shown on the register. I could not give an explanation of the omission to show Mr. Holmes as the holder of one share. I presume that Mr. Holmes's is a share transferred from Mr. Cook's holding. " Should not the holder of each share be shown ?- The total number of shares allotted is shown on the register, but whether each

single share should be shown is a matter which I would not like to give an opinion upon. All the shares are included in the total number allotted to the various holders. " How many of the seven who signed the articles of association are not shown on the register ?- Three -- Mr. Holmes, Mr. Thompson, and myself. "Then, three people who signed those articles of association, and were supposed to have taken up one share each, have never paid anything on those shares, and their names do not appear on the share register. Is that so ?- I do not think you put the question quite fairly. As a matter of fact, my share was a gift from Mr. Cook, and he paid my calls. " Then, that makes an additional share ?- No ; the 6.000 are accounted for. " Mr. Cook has transferred one share to you ? -No. "Then, how do you become possessed of one share if you do not pay for it ?-- It is paid for by Mr. Cook. He gave it to me. That is the position. " With reference to the secretaryship of this company : have you acted as secretary to the company ?- I have, and am still the secretary. " Did you receive the secretarial fees ?- While I was manager for Cook and Gray I did not. I was not entitled to hold any private fees. " Who received the secretarial fees of the company at the time you were acting as secretary and managing for Cook and Gray ? - As manager I paid them into the account of the firm of Cook and Gray. " You were not actually the secretary of the company ? - Undoubtedly I was, and am now. " But were you receiving the secretary's fees ? -Yes. My arrangement with Cook and Gray was that I received a salary, and anything outside that I handed over to Cook and Gray. " Then, at the time the public were allowed to know that you were the secretary of the clerk in Cook and Gray's employ, receiving a stated salary from them, and remitting the secretary's salary to them ? - Yes. " Were you aware at the time you were doing that that Mr. Cook was a director of the company ?- Undoubtedly I was. "Then, Mr. Cook, as director, was making a profit out of the secretarial fees : is that so ?- I should say that he was not. Cook and Gray may have been making a profit, if there were a profit made out of them, but that is very questionable. " What I want to get at is this: Cook and Gray were receiving the secretary's fees in the Tucker Flat Company, and not you ?- The firm had the fees, in addition to other sources. of income. " And at that time you were quite aware that Mr. Cook was a director of the company ? -Undoubtedly I was; he was elected at a meeting of shareholders. "I understand that the prospectus of the Tucker Flat Company states that there was a deed of sale from Wylde to Cook-i.e., the deed by which Cook acquired the claim. That deed is stated to be on view at your office. Were you aware of that ?- Yes; it is so stated on the prospectus. " Will you tell the Committee who removed that deed from your office ?- It was not removed from the office. " Was it ever placed there ?- Yes, because I took it out myself. " Who took it away ?- I did. "At what date did you take it away ?-- When I came away on Tuesday last. It has been in the office all the time. "Are you aware that a written application was made to produce that deed previous to the last extraordinary meeting of the company ?-- I think you are making an error there. You applied for the deed in connection with the Lees Ferry Company then, and made a further application last Monday through Mr. Somerville for this Tucker Flat document. Mr. Somerville came to me, attended by his solicitor (Mr. MacGregor), requesting the production of this document. The Lees Ferry deed was in the hands of the company's solicitor when they asked for the Tucker Flat deed, and I told them then that I thought it was in the hands of the solicitor, the same as the Lees Ferry document. It subsequently occurred to me that I had put the Tucker Flat deed away in my safe, and I immediately went and hunted it up, and not half an hour later I received Mr. Palmer's wire asking me to come here. That is why the deed was not produced when Mr. Easton sent for it. " Was no request made to you on the 8th August for that deed ?- Not for the Tucker Flat document, to my memory. I do not recall the Tucker Flat deed being applied for. " At this stage a telegram was read from a late director of the Tucker Flat Company (Mr. Somerville), who wired to Mr. Easton on the 8th August as follows : 'Tucker Flat meeting

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shares allotted ; Holmes advised to the contrary. Cook informed presented deed assignment.' (?) "

Witness: He could not have done so, because, as a matter of fact, it was in the safe in my office, and Mr. Cook was not there. It was in Cook's office, but he was very much away. I was managing the office at that time. " Then, I take it that the deed has been in the office; but up to yesterday neither the public nor the shareholders have been able to look at it ?- It has been there for any one to look at it ; but I deny that you ever asked for the Tucker Flat deed. "Mr. Easton here remarked that a great many applications had been made to inspect this deed, and Mr. Somerville had written to him as follows: 'I took the trouble to get MacGregor to go round with me to Cook's office, and Holsted assured us that he could not produce the deed of Tucker Flat. We i but must accept your statement as to dates. then went round to the Stamp Office and saw Mr. Corliss, who looked up his deeds and found that the agreement from Cook and Co. was filed in March, 1900; but no reference is made to the agreement from Wylde to Cook, nor is it filed with the other documents. think this is all in connection with the Tucker Flat, except to confirm what I said in my pre- vious wire to you, that the meeting stands ad- journed for six weeks to enable the directors to make arrangements with the vendors re- garding fully paid-up shares.' " The registered office of the company is in Cook and Gray's office ?- No : it is at my office now ; but it was Cook and Gray's office on the 13th April. " You are aware that Mr. Cook was a director of the company, that Cook and Gray were the brokers, and that Mr. W. R. Cook was vendor to the company ? - Yes. " You are aware also that in March last Mr. Cook resigned from the Board ?-- I could not speak from memory as to the date, but the minutes will show that. "Can you tell us how much Mr. Cook re- ceived during the eleven months that he acted as director ? - The annual fees were sixty guineas, I think, divided as the directors thought fit. I presume, therefore, that Mr. Cook would get an equal share with the other two directors. The balance-sheet would show that. " Then, we will take it that Mr. Cook received twenty guineas. Will you tell us how many meetings Mr. Cook attended during the eleven months ?- Two, I think ; either one or two, I am not sure which. " Then, he attended one or two meetings, for which he received twenty guineas of the share- holders' money. You are aware that on the 27th March last, at the annual meeting, I lost my seat on the Board ?- Yes. "And you are aware that Mr. Cook's other employ  , Mr. Howes, took my place ?-- That is SO. " Who is chairman of the company at the present time ?- Mr. Howes. first meeting after I lost my seat-Mr. Howes moved that the capital be increased by £5,000. Is that not so ?- No ; that motion was moved by Mr. Somerville. "Mr. Howes put the motion, then ?- Yes, as chairman he had to. The motion was one of Somerville's. " You are aware that on the 15th July I lodged a requisition signed by a majority of the qualified shareholders ?- No, the unqualified shareholders. " It was signed by a majority of the share- holders - a requisition to voluntarily wind up the company ?- Yes. "Can you produce that requisition ?- I did not bring it with me, but I admit the fact. "Then, can you remember that on the 10th July, 1900, I purchased through a firm of brokers 100 fully paid vendors' shares of \$1 each ?-- I can remember a transfer coming in, " Not a transfer-it was for fully paid shares ? -Yes. " You are aware that I subsequently issued a writ against the brokers who sold those shares because they could not deliver ?- You say so : I I do not know it. I am speaking from hear- say. "Are you aware that on the 15th July I purchased of a Mr. Choyce, through Mr. Cook. 250 contributing shares ?- Yes. " How came that transfer to get through. because at that time Choyce had not paid a call amounting to \$25 on them ?- That is so. At the time that you bought them no demand had been made on Choyce to pay the call. You bought the shares at 2s. paid up, I understand ; but the transfer will prove that. The call of 2s. was certainly struck between the time that you bought and the time that the transfer was regis- tered, but the directors did not object to passing the transfer, because they .knew you to be a reliable man, and that you would be liable for the calls. " The first call struck was on the 10th August. and Mr. Choyce was liable for 2s. per share on every share that I bought. Is not that so ? -It all depends at what time you bought the shares. "I bought them on the 29th August ? --- Then, your transfer was very slow in coming in. "On the 29th August I purchased 250 con- tributing shares at par, sending #25 2s., being application-money of 1s. per share, allot- ment of

1s. per share, and 2s. office fees. That transfer was passed through to me with a call owing by Choyce, struck on the 10th August. How came it that the directors put that transfer through ? -- They knew from the fact of your transfer that it was 2s. per share, and that you were only paying 2s., and that you therefore must become liable for the call. "I want the Committee to fully understand that the transfer was passed through the office with \$25 due from the seller ?- That is so ; bat ! the liability became yours, as you had only paid the application- and allotment-money.

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therefore passed the transfer. "I find that on the 9th March, 1901, the auditor to the company signed the balance- sheet for the period ended 28th February, 1901, as correct. Where is this \$25 shown ?- The auditor did not take any objection to that. Of necessity we could not charge it to two men- you and Choyce as well-and it was therefore rendered to you. You received a notice of the second call being struck, and that showed arrears of first call £25. " I do not hold myself responsible for the first call. Choyce has to pay the \$25 ?- You bought the shares at 2s. " There had been a call due from Choyce on the 10th August, and I did not purchase till the 29th August ?- I cannot say when you purchased, but the transfer will show. '2s. paid ' is marked on the transfer-that is, application and allotment. The transfer is dated the 23rd August. It is just an ordinary transfer for 250 shares. Mr. Easton must have been aware, for one thing, that only 2s. had been paid, because the transfer had to come into the office to be marked. " Mr. Easton : I was not aware on the 29th August that a call had been struck on the 10th ?- No: as a matter of fact, we had no knowledge of your existence in the matter. The transfer was passed on the 17th September. " The directors were aware when they passed that transfer that there was \$25 owing by Mr. Choyce ? - It was owing by you, because you distinctly had the transfer marked '2s. only paid.' " I do not accept any responsibility in respect to that \$25-in fact, I might tell the Committee that I am advised that by taking an action in the Supreme Court I can get my name removed from the register. Mr. Choyce is liable. This \$25 is not shown in the balance-sheet as paid ?- No ; it is shown on the debit side of the register, amongst the outstanding calls. When the balance-sheet was passed we relied on Mr. Easton for payment, as he held the shares when the balance-sheet was passed by the auditor. "Mr. Easton: The amount I paid was \$25 2s., though the consideration shown is only \$12 10s. " Witness : I may add, though it has really no bearing on the question, that the transfer would certainly have been hung up if it had not been that Mr. Easton was already known to the directors as being a man of standing, and that he was not likely to repudiate liability. " Are you aware that the balance-sheet shows that up to the 28th February £479 4s. 9d. of the shareholders' money had been spent ?- Yes. " You are also aware that up to that date no dredge had been ordered ?- That is so. " Do you know that the share register shows that on the 15th July of this year there was £12 10s. owing as application-money on shares, £4) allotment, and £836 due on first and second I do not know that it is fair to put it in that calls ?- Yes : I will not dispute that, because on the 29th February it is shown that there Were £1,206 in calls in arrear. " Included in these sums you will find, from the share register, that \$50 was owing from Mrs. Cook ?- No; two calls-£100 owing. " And £90 from Mr. Cook ?- No; £65. "Are you aware that Mr. Cook's late partner -one of the firm that brought this company into existence-owed \$125 on the 15th July of this year ?- Yes, that is so. " Can you remember that during the short period I had the pleasure of being a director of this celebrated Tucker Flat Company I declined to pass a transfer of 250 shares which Mr. Cook had taken over by bill from a Mr. L. S. Benjamin ?- I can remember your declining to pass a transfer. " At the time I declined to pass the transfer there was \$25 owing by Mr. Benjamin. "Mr. Easton here remarked that he had declined to pass the transfer, and, as already explained, he lost his seat on the Board in consequence, Mr. Cook's other nominee, Howes, taking his place. According to the share register £25 was owing at the time. "Now, Mr. Holsted, that \$25 was still owing on the 15th July ?- Yes; the second call is owing by practically all the shareholders. " Mr. Benjamin gave me to understand that on the 15th July the bill was dishonoured. You

are aware, Mr. Holsted, that when Mr. Howes became a director the transfer from Mr. Benjamin to Mr. Cook was put through with the \$25 owing ? - Yes, that is so. "Mr. Cook has not paid this €25 yet ?- No ; that will make his liability \$90-\$65 and £25. "That is, admitting that \$25 owing by Benjamin is due from Mr. Cook ?- Yes, that is The \$25 was debited to Mr. Cook, who so. took over the liability. " Was Choyce relieved of liability according to the books ?- I do not think so ; it is a question of law. "Are you aware that in the Tucker Flat Company there are 250 contributing shares on which up to date no application- or allotment- money has been paid ?- Yes, that is so. You refer to Kneebone's shares. " Are you aware that on the whole of those shares Cook and Gray received 2 per cent. brokerage ?-- Yes ; that was included in the brokerage charges, I think. " So they have received brokerage on shares that exist only on paper ?- That is hardly correct : Mr. Kneebone exists, at all events. " Were you sending Cook and Gray monthly or quarterly statements remitting the broker- age ?- No; the brokerage would be paid into Cook and Gray's account. " You paid it into Cook and Gray's account ? -Yes. " Were Cook and Gray aware that they were obtaining brokerage on shares on which nothing had been paid ?- They must of necessity have been aware of it, seeing that they were the brokers. "They were aware that they were making a . profit out of that which cost them nothing ?- way. Of course, they sold the shares, and I presume the position would be that, if at a

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the calls, they would come on Cook and Gray for a refund of the brokerage. That was not done in this case ; but Mr. Kneebone has not repudiated his liability. "Are you aware that certain shareholders have stated in sworn evidence that only 1s. per share has been called up in this (Tucker Flat) and other companies ?- I have heard that ; but it is hearsay. I do not know it for a fact. I think the commission was earned on these shares before the money was paid on them. " You think that if you agree with a man to take shares and he pays nothing you have earned the commission ?- The position would be this : A broker would probably have as much trouble in selling shares to him as to the man who paid his application-money. It would be a matter for the directors, when the statement was brought before them to be passed. " Did the directors pass the accounts for brokerage in the Tucker Flat Company ?- Yes. "They knew that commission was claimed on the shares on which nothing had been paid ? -Yes; there was a statement handed in to them. The directors who passed the accounts for brokerage were Messrs. Somerville and Leijon. Mr. Cook was a director at the time, but he was not present. When brokers put in their statement of the shares sold they are in the habit of handing in at the same time forms of application for the shares signed by the applicant. Mr. Kneebone signed an appli- cation for 250 shares, but he did not pay the money. In his case 1s. per share was payable on application and 1s. on allotment. The directors did not pay brokerage before allot- ment, or before the application - money was paid. It was the fact that no money was paid in respect to these shares; that being so, brokerage must have been paid on these shares without the application - money having been paid. One shilling per share ought to have accompanied the application, the assumption being that the broker was selling to a respon- sible person. I am not aware of any similar cases to this one. Mr. Gray, who sent in an application-form without his application- money, afterwards paid application-money on 50) shares. He paid on the 19th May. Mr. Gray's application was dated the 15th Feb- ruary, and the date of the company's registra- tion was the 9th March. Mr. Kneebone has not paid his application-money, but there is legal power to make him pay. The signature to the application-form proves the contract. " Is it the usual practice to receive applica- tion-forms without the application-money, and to pay brokerage on shares so applied for ?- It is very often done --- in Dunedin, at any rate. "By Mr. Cook: The amount of commission on the sale of Kneebone's shares-this applica- tion came from Auckland-was £6 5s., and his was the only case in which application-money had not been paid. " Is it not customary in Dunedin, to your knowledge, for many people to pay application- and allotment-money in one sum ?- Decidedly it is. and pay application- and

allotment-money in one sum ?- Yes ; it is customary. " We have heard a great deal about the companies being "Cook and Gray's companies" : Now, who were the directors of the company under consideration - the Tucker Flat Company ?- Messrs. Somerville, Leijon, and yourself. " I was never in attendance but once ?- That is so. " For which I received -or, rather, the office received-the sum of twenty guineas ?- Yes. " Do you remember whether any arrangement was made with my co-directors that I was to give attention to outside matters on the Coast ? - Yes. " They knew I would not be at the meetings ? -Yes, you drew attention to that. " Do you remember that while I was on the Coast I was asked to superintend and arrange for the boring in connection with the company ? -Yes, I do. " And that I did so ?- Yes; that is shown in the books. " Therefore I did not take the twenty guineas for nothing ? - Decidedly not. " I probably did more work and gave more time to the company's business than the other directors in their attendances ?- (?). " In reference to your acting as secretary to this company, were you under the instructions of the directors ?- Undoubtedly. "Did you ever take instructions from Cook and Gray, directly or indirectly ?- I could not do so, because they had no power to give instructions. " Had Mr. Somerville, a director of this company, any connection with Cook and Gray ?- None whatever. "Has his conduct towards Cook and Gray been such as would indicate that he had any kindly feeling for them, or otherwise ? - I should say otherwise. " It has been mostly antagonistic ?- Yes. "He has been Mr. Easton's lieutenant in the whole of this agitation? - I have been given to understand that. " Mr. Leijon-what is he ?- A man of independent means, I understand - a former dredge-owner, very largely interested in mining in Otago. "Has he any connection with Cook and Gray in any way whatever ?- None whatever, to my knowledge. " Is he interested in any other companies that are being carried on in Cook and Gray's office ?- Yes. " Which ? -- I think he was a director of several ; he is a director of the Charlton Creek Company, at any rate. " You swear that you have never been influenced, directly or indirectly, by Cook and Gray in reference to your duties as secretary to this company ?- I can swear to that most emphatically. " With reference to the position you held in Cook and Gray's office, you were there on a yearly salary ?- That is so.

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that came to the office, and the remuneration that you received went to Cook and Gray's account as a revenue of the office ?- That is so. " You kept the banking account yourself ?- Yes. " And you and the accountant operated on that banking account ?- Yes. " Neither myself nor Mr. Gray had anything to do with it ?- No. " With reference to the transfer of shares from Choyce to Easton, Easton has stated that he paid Choyce \$25 for the shares : is it not a fact from the transfer (produced) that Easton bought the shares without the allotment-money being paid, the consideration being £12 10s .- the application-money was paid, and Easton paid the allotment to the office ?- Yes. "Easton paid the allotment-money, and not Mr. Choyce ?- Yes ; the date of the payment -of the allotment-money is the 4th September -' By cheque, £12 10s.' That is the entry in the book. "Can you tell us from your letter-book whether you got a letter from Mr. Easton in reference to this ?- There would probably be a letter with the cheque, but I have not brought the correspondence up with me. The cash-book shows £12 10s. received on the 4th September, credited to Choyce. "The directors who attended the meeting when this transfer to Easton was made were Messrs. Leijon and Somerville? - Yes. "I was not there ?- No. " Neither Cook and Gray nor myself had anything to do with it ?- Nothing whatever. "What is the name of the auditor to the company ?-- Mr. Chalmer. " Had he anything to do with Cook and Gray? - Nothing whatever ; as a matter of fact, he belongs to the "opposition." "He was elected by the shareholders at a public meeting ?- Yes. " And never had anything to do with Cook and Gray, directly or indirectly ?- No. " Mr. Easton has told us that he (Easton) was a director of this company. Can you tell us how Mr. Easton was placed in the position of director if he did not have the shares, as he says he did not ?- He could not have been placed on the directorate unless he was a shareholder. " He tells us that he is not a shareholder, that he disputes the shares, and yet he

acts as director to the company ?- Yes. " By whom was he elected a director ?- He was elected a director by Messrs. Somerville and Leijon. " When I resigned they elected Mr. Easton in my place ?- Yes, after you resigned. " At the annual meeting of shareholders Mr. Easton was nominated ?- No. " Presuming that these shares are Mr. Easton's, how much does he owe in calls ?- \$25. "In reference to this 'option ' agreement from Wylde to myself, it is stated on the pro- spectus that the only agreement in existence was this one, which was to be seen at the office of Cook and Gray ?- Yes. pany was registered ? - Undoubtedly. " And was then handed over by me to the solicitor of the company, in order to prepare the agreement between the company and my- self ? - That is so. Mr. Allan Holmes drew up the agreement. The general options were printed ones. This agreement was never taken out of the office by any one. Section 5 of the agreement between Cook and the Tucker Flat Company is in the usual form. I may mention that I know of articles of association of other companies that are the same in that respect. The same thing occurs in connection with at least two other companies ; but it is really a legal question, and I am speaking from memory. I do not think that this clause 5 was embodied in the articles of association. " But it does not say about the profits arising from the secretarial duties. Can you explain why this was put in ?- No, I cannot. "Was the secretary paid office-rent for the company as well as salary ?- The secretarial salary included office-rent ; it included the use of office for ordinary purposes and Board meetings. " You say you are a shareholder in the com- pany ?- Inasmuch as I hold that one share that Mr. Cook gave me. "But that share was not placed on the register ?- No; it is included in Mr. Cook's holding. "Then, you admit that you were acting as a dummy for Mr. Cook. You were acting as Mr. Cook's clerk, and as secretary to the com- pany, and you were not on the register ?- I exercised no vote at any time. "I see by the balance-sheet that ' prelimin- ary expenses " amounted to £34 13s. Who got that money ?- £1 11s. 6d. was paid to Mr. Sawell for printing. " Is that the Mr. Sawell who applied for the shares ?- Yes. Wilkin and Co. got €6 10s. for printing ; Legatt 14s. 6d. for printing circulars, I think, and office stamp ; the cost of registra- tion of the company amounted to \$15; and £10 17s. paid to Mr. Holmes for law - costs make the total of £34 13s. " Who received the commission of \$150 ?- Cook and Gray. "And who received the secretarial salary, £68 15s. ?- Cook and Gray, through me. "And rent, \$9 12s. ?- That is the rent of the claim. The rent of office is included in the seretarial salary. " Was a separate account at the bank and a separate bank-book kept for this company ?- Undoubtedly ; that was the very first thing that was done. "Have you got the bank-book with you ?- No ; but there are separate bank-books for each company. " You said that you took that deed of associa- tion out of your safe when you left ?- Yes. " And you stated to Mr. Somerville when he called for it that you did not think you had it ? -It was last Monday that Mr. Somerville called for it, evidently under Mr. Easton's instruc- tions

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" You could not give it to him ?- No, in all good faith. Mr. Somerville mentioned the Lees Ferry deed, and I said I thought the Tucker Flat document was in the hands of the solicitor with it. " Where was it ?- It was in my safe. " Where was that ?- In my room. " You have an office now separate from Cook and Gray ?- In the same building. " You are carrying on by yourself, but are in the same room, and the deed was there all the time ? - Yes. " Is the statement that Mrs. Cook owes £100 for calls in the Tucker Flat Company correct ?- Yes. " And also the statement that Mr. Cook owes €90 ?- Yes : \$65 and #25. " With reference to these calls that Mr. Easton objects to pay : If a man of straw put in a transfer-a man whom you did not know- would you pass it ?- Not if there was any liability on the shares. But I could not transfer the shares ; the directors would do that. " But they would not do it in such a case ?-- No. decidedly not. "You acknowledge that it is not right to transfer shares in a company when a call has been made and not paid previous to the trans- fer being put in ? - I should say it is not right. " Do you ever transfer shares when there is a liability on them ?- No : but it has occurred. " It is a most unusual custom ? - It is an illegal custom. " Has Mr. Wylde not received his 750 paid-up shares ? - No. "Why? -- Because the directors

have not allotted them. The directors were advised by the company's solicitor not to allot them for some time after the company started-until, at all events, they were perfectly satisfied about the title, &c. : and since that, on account of the Various questions that have been raised, and the consequent trouble in the mining-market, the directors have not taken steps to allot them. " The company has been registered ?- Yes. " Are they not satisfied with the title ?- Yes, I think so. " Has Mr. Wylde received no consideration for his title ?- As far as the company are concerned, he has received no consideration. " Has he signed the transfer ? - I presume so, or else the solicitor would not have advised, as he did since, that the paid-up shares be allotted. " Do the company still hold the ground ?- Yes : we still pay the rent. " Has Mr. Wylde applied to have these shares transferred to him ?- Yes, I think he has. " What do the minutes say about it ?- I do not think there has been a demand from Wylde before the directors. "There is an agreement that Cook cannot pay Wylde until Cook gets the paid-up shares from the company ?- Yes. "Has Mr. Cook applied for these paid-up shares in order to pay Wylde ?- I do not think so. " Why did the solicitor advise the company not to allot these shares ?- Because if the company went into liquidation it would complicate matters if the vendors' shares were allotted. He said it would be better to make an arrangement with them. in the event of liquidation, that they should not insist on their right as vendors. " In order to facilitate liquidation ?- Yes. " What would be the rights of Mr. Wylde in case of liquidation ? - I understand that he could insist on the capital being called up. "That is the law, is it not-that the subscribers' shares can be called up? - Yes: it would inflict a hardship on the subscribing shareholders. " Have you got the minute with the solicitor's. opinion ?- No. "Can you tell us from memory what his opinion was? - That the vendor be written to and asked to voluntarily forego any vendors' interests-not to insist upon the shares being allotted. " Which vendor ? - Mr. Cook. " You know nothing about Mr. Wylde's position ?- No. " You were secretary to this company ?- Yes, and I am still secretary. " Also a clerk in Cook and Gray's service ? -- I was at that time. " Were you allowed to do any work outside of Cook and Gray's office ?- No. "You were entirely in their service ?- Yes. " Was Mr. Cook a director of the company at that time ?- Yes ; he was elected a director at the start. " How much was paid as secretary's fees ?- £75 per annum, including office-rent. " Who was it paid to ?- It was paid to Cook and Gray. I paid it into their account. " So that in reality Cook was both director to the company and secretary, acting through you ? - Yes, putting it in that way. " When Cook was superintending the boring on the West Coast what remuneration did he receive ?- None, except as director's fees. He received no separate remuneration. " Are you aware whether it is legal for directors to transfer shares until all calls on them are paid up ?- I understand that is illegal. " Do you know the law on that point? I want to know whether you know yourself that all calls must be paid before a transfer can be made ? - Yes. " You know that to be a fact ?- Yes. " Were you secretary to the company when the shares were transferred from Choyce to Easton ?- Yes; but I will amend my statement in this way : when I say I am aware. I am not here to say that it is so. " Did your sign the transfers ?- No, I do not think so. " Which directors passed the transfers ?- The directors present at the meeting were Messrs. Leijon and Somerville. " You stated, in reply to Mr. Cook, that it was customary in Dunedin to pay application and allotment together ?- Yes. "Can you cite any cases where it has been done ?- It would be rather difficult to speak of individual cases, but there have been several that I know of.

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in saying that; can you give us any case in point ? - It would be extremely difficult to name cases. " Do you know of any ?- I could not give you the exact names, but I know of cases. I could turn them up. " Outside of Cook and Gray's companies ?- That is another matter. I have myself paid application- and allotment-money together outside of Cook and Gray's companies. " In what company ?- The Happy Valley. "Who were the directors of it ?- I really could not tell you, but I think I paid the two together in that case. "At the time of the application ?- No, the time of the allotment. "What I wish to get from you is, do

you know of any other cases in which brokerage was paid on shares before the application-money was paid ?- You asked me to speak of a definite case, and I cannot undertake that. " Is it usual in Dunedin to pay brokerage on shares when there is no application-money paid ?- It is commonly understood to be so. " Can you say that of your own knowledge ? -I cannot of my own knowledge speak of other places. " Do you know of your own knowledge whether that is a fact ?- I could not say of my own knowledge ; I would have to look up the books. " What do you think of it as a business trans- action ? Do you think it is fair or legitimate ? - Yes, I think it is, for the reason that the directors can recover from the broker if the calls are not paid. " Who is responsible for this application- money ?- I presume the broker is. " Suppose a broker accepts men of straw, say, for \$100,000, who will never pay any appli- cation-money, do you think the directors could legally pay him the brokerage when the appli- cation-money is unpaid ?- It does not appear that it is legal on the face of it. " You say that the salary paid to the secretary is £75 a year ?- Yes. " Is the same amount paid by every company ? -No ; some pay less than others. "How many companies have Cook and Gray ?- There were fourteen or fifteen at one time, but there are not that number now. "What would be the average amount paid by each of them per year ?- I think they were paying \$75 a year each, with two exceptions. I may add that £75 a year is the average secre- tarial salary in Dunedin, but there are several higher than that. " How many hands were employed in Cook and Gray's office then ?- There was myself, the accountant, the assistant accountant, the typist, and the boy-five altogether. " What would their wages average per year ? -The accountant's salary was £175 per annum, assistant accountant £135, the typist's and two juniors, say, another £100. " What was your salary ?-- £5 a week. "That would make about \$650 a year for salaries ?- Yes. VOL. CXVIII-6. year. "Mr. Cook was the official liquidator for some companies. Did you do work for him in that connection ?- We had nothing to do with that in the Dunedin office." Mr. PALMER (Ohinemuri) .- Sir, may I make a personal explanation to the House ? Mr. DEPUTY - SPEAKER .- Yes; the honourable member is entitled to make any explanation. Mr. PALMER .- I wish to say this in answer to what the member for the Bay of Plenty has said : The report the honourable member refers to was brought under my notice, and I took particular care to find out all about it, and I found that the report was published before the House declared the publication of the 23rd instant to be a breach of privilege. I went to the representative of the Evening Star and I said, " Is this going to continue, or is this pub- lished in defiance of the wishes of the House ?" The reply was " No, it will not continue ; and is not in defiance of the House, and as soon as the House desired that there should be no further publication of the evidence all publication had ceased from that moment." The reporter told me those were the circum- stances under which the report of the 27th instant appeared; and as we are already look- ing into the matter, a Committee having been set up in regard to it, I did not think it was necessary to again move the House and have another Committee of inquiry set up. I think the one inquiry will suit the whole case. I do not know that we should endeavour, as the paper has published another report, to specially signalise for our attack that paper from any other paper in the colony. Mr. FISHER. - The paper has signalised itself. Mr. PALMER. - Well, you may put it what- ever way you like, but I think we are signalising it if we take any further action. However, as the Committee are now looking into the breach of privilege, I did not think I was called on to move the House in the matter. Sir J. G. WARD (Colonial Secretary) .- Sir, I think the House will agree with me that there is no necessity to raise another question of breach of privilege. We now have a Privileges Committee set up, and it is investigating the question of the publication of the evidence that appeared in the Dunedin Evening Star of the 23rd instant. I understand the paper the honourable member for the Bay of Plenty has read from is dated the 27th instant. Well, that is a continuation of evidence which has gone out from the Committee, and which has been published ; and, I take it, it will be the duty of the Privileges Committee now inquir- ing into the first set of evidence published by the Dunedin Star to make investigation into the continuation of the evidence published in While I am as the paper of the 27th instant. anxious as any other member of

the House that the privileges of the House should be maintained, I think we ought to allow the Privileges Committee to go on with its investigation. The

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say, has informed me that he already has a copy of the Dunedin Star of the 27th instant, and the better course, I think, would be to allow the Privileges Committee when it next meets to consider the matter of the publication of the evidence in the issue of the Star of the 27th instant, and if they consider they require further authority from the House - if they find the authority they at present have is insufficient - let them come to the House and ask the House for a direction. I consider that the second publication of the evidence is part and parcel of the same matter. I am desirous that the right course should be taken ; but I think it is unnecessary to raise a second question of breach of privilege, as suggested by the honourable member for the Bay of Plenty. The best course will be to allow the Committee to investigate the matter. If they find they cannot do so, they can report to the House accordingly, and the House can then direct them. Mr. HUTCHESON (Wellington City) .- Sir, this appears to me to be a case of turning our Standing Orders and our precedents into topsy-turvydom. What the Postmaster-General has just suggested is surely the very reverse of the proper order of procedure. He suggests that a Committee of the House is to instruct this House. I say the proper course is for the House to instruct the Committee. Sir J. G. WARD .- I did not say the Committee should instruct the House. Mr. HUTCHESON. - I understood the honourable gentleman to say that if the Committee thought it was desirable to investigate the further publication they were to come to the House and ask for advice. I say the power of initiative must remain with this House, and the House has a perfect right to refer the matter in a proper way to the Committee. I consider the publication of the evidence is a further breach of privilege as far as our Standing Orders are concerned, and before the matter can be considered by the Committee it must be referred to the Committee by the House. The constitutional way is for the House to declare that another breach of privilege has been committed, and must refer it for the consideration of the special Committee. I do not dispute that this further publication has been made before the managers of the paper were aware that the House had declared the first publication to be a breach of privilege. But surely the publishers of this journal knew perfectly well that the first publication was a breach of privilege just as the second publication is a breach of privilege. It is playing the fool with the question to treat it in this way. The House ought to say this is a breach of privilege, and refer it to the Committee already set up. The two publications are two scenes of the one act, and the House will stultify itself if it does not refer this matter to the consideration of the Committee as well as the last. Mr. McNAB (Mataura) .- I think the last speaker is wrong in his statement of the position. If the House will recollect what took Sir J. G. Ward to the Committee, it was argued that we had adopted a wrong course, and that we should have referred the question to the Committee before declaring it to be a breach of privilege; and I think I was singular in defending the action of the leader of the House then in submitting it to the consideration of the Committee after it had been declared a breach of privilege. Now, the point that members of the House argued comes in at this particular juncture. If the proper course on the former occasion was to refer the publication to the Committee before it was declared a breach of privilege, the proper course now is not, as the honourable gentleman said, to declare it a breach of privilege and to send that publication to the Committee, but to send on the whole publication to the Committee and let the Committee deal with it. I do not think it is a proper procedure to declare it a breach of privilege and then send it on to the Committee. But if the leader of the House moved that the paper read to the House by the member for the Bay of Plenty be referred to the Committee already set up, I think that would dispose of the whole question. Doubtless there will then be some reference in their report to the second publication. Mr. WILFORD (Wellington Suburbs) .- I should like to express an opinion agreeing with the honourable member for Mataura. It seems to me, from the statement made by the honourable member for Ohinemuri, that the whole of this matter can be dealt with by the Committee as

at present constituted. The position as I understand it is that a Committee has been set- up to deal with a breach of privilege. That Committee has power to call for persons and papers, and to examine individual members of the Goldfields Committee, and also the individuals concerned in the breach of privilege. It therefore seems to me that if this particular publication be now referred to the Committee to be dealt with, together with the former matter, the whole object can be gained. We have also the statement of the honourable member for Ohinemuri that he has seen the representative of the journal in question, who assures him that the publication was after the House had decided that the first publication be referred to a Committee. An Hon. MEMBER .- Before. Mr. WILFORD .- Well, before it was aware of the wrongdoing, if wrongdoing it is. Surely if the Committee already set up is able to prove, after its examination, that a breach of privilege has been committed by some one to whom they can sheet home the offence, it can then be decided what the penalty shall be. No object can be gained by setting up two Committees and having two orders of reference while the present Committee has full power to deal with the matter. Mr. McGOWAN (Minister of Justice). - I think the whole matter would be met by moving that this paper be referred to the Committee now dealing with the other publication. An Hon. MEMBER .- That is all we contend. Mr. McGOWAN. - I understood some mem-

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bers wished this to be declared a separate breach of privilege. It seems to me to be one and the same thing. According to the argument of some honourable members, suppose there were five thousand issues of this particular paper there would be five thousand breaches of privilege. There has been a continuation of the publication of certain evidence, and I think the whole matter will be best met by my moving, That this paper be referred to the Committee which has already been appointed. Mr. R. THOMPSON (Marsden). - I have taken no part in the discussion which has taken place with reference to the other alleged breach of privilege ; but it appears to me that the proprietors of this newspaper are flouting this House. I cannot look upon it in any other way. There is no doubt whatever that within an hour of the discussion which took place in this House the other day the proprietors of this paper knew all about it. An Hon. MEMBER .- It was published the day before. Mr. R. THOMPSON .- Oh ; I thought it was published on the same day. I look upon this as a very serious matter in reference to the persons that it affects. The object of publishing this evidence may have been for the purpose of injuring some person, and we do not know what injury may have been done to certain persons in that district by the publication of this evidence, which perhaps may not have been authorised by this House. There is no doubt whatever that there is an impression broadcast in this House and outside the House that very little notice will be taken of the whole thing that it is going to fizzle out. If that is to be the case, then I think it would be better to have our Standing Orders altered, and allow the whole of the newspapers of the colony to have the same advantage. I cannot understand why any privilege should be given to this newspaper more than to any other. It is quite evident that there are members of this House who look upon the whole thing in a very lenient way, and it is quite evident that the proprietors of this paper have many friends in this House. That is not fair to other newspapers. I think we should either amend our Standing Orders or else we should put a stop to this improper method of publishing evidence. Mr TANNER (Avon) .- I never regard these cases as lightly as they are treated by many ; but so long as you have hoary old members of this House, and I have not the least doubt but that a large measure of encouragement has been afforded to the representatives of the newspaper Press by the tone which has been adopted by many members in reference to the matter now under discussion. To my mind, this seems to be nothing more than an aggravated breach of privilege by the publication and a repetition of the original offence. . It shows that an organized, persistent, determined attempt is being made to get hold of the evidence which is being daily placed before the Committee ; and until the House wakes up to a sense of its own position it

will be exposing itself to being belittled by every newspaper in the colony, and its general proceedings brought into contempt by the mass of the people. Mr. PIRANI (Palmerston) .- There is rather an important point that has not been touched upon in connection with this matter, and that is this : that the first case, that we have already decided to be a breach of privilege, referred to the evidence given on a certain day, as if that evidence was compact and complete in itself. And it is possible to a very great extent to trace that evidence - into whose hands it has gone, and pretty well what became of it. But the present case is evidence that was taken a week later - evidence given on the 22nd of August, whereas the evidence complained of on Wednesday last was the evidence taken on the 15th August, and that evidence is as distinct as it can possibly be. I do not think, therefore, the investigation now being made by the Committee into the first offence ought to be complicated with an investigation into this one. There ought certainly to be a separate investigation into both breaches of privilege. It has been said by honourable members that the manner in which the offence was treated the other day by some members of the House induced a repetition of it ; but I would like to point out that this paper is dated Tuesday, the day before the matter was brought before the House, and that, although it is separate evidence, it is practically a continuation of the publication of the first lot. I would like to point out that it is not what was said in the House the other day that would have any effect, but that it is the action taken for years and years in regard to such offences that is responsible. The House by custom has practically established the rule that the mere publication of evidence before Select Committees is only a technical offence, to which attention ought to be drawn before letting the matter drop. The House treated the offence so lightly that no attempt has yet been made to alter our Standing Orders, which in this respect are pretty well as ancient as parliamentary government itself. No attempt has been made to bring such offences into line with present day requirements. What is wanted more than anything else is an alteration of our Standing Orders, so that, instead of making the publication of evidence like this practically a capital crime, it ought to be treated either as an ordinary offence or the publication ought to Standing Orders on this subject-and the procedure has been ridiculed even in the Imperial Parliament-so long will you have members who will not go to extremes. I think this offence ought to be treated separately from the one we dealt with the other day-that it ought House ; which, if it thinks fit, can relegate it a breach of privilege of the week previous. I hope that no attempt will be made on the part of the House or the Committee to mix this up with the breach of privilege case that has now almost been concluded.

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Sir J. G. WARD (Colonial Secretary) .- I would like to point out that the whole of the evidence might have been published in one issue of the Star. Mr. PIRANI .- It could not do so. Sir J. G. WARD .- But suppose it did ; the Committee then would have dealt with the whole question in one report only. The House having declared that a breach of privilege has been committed, and this further evidence having also been published in the same paper, surely the case can be met by the Privileges Committee reporting to the House on the whole business at one time. I would ask, Sir, what is the use of threshing this thing to death ? We have already referred the matter to the Privileges Committee. No further publication has taken place since then ; and, with the second paper of the 27th before it, surely that Committee will report on it, and it will then be for the House to deal with the whole matter at one and the same time as it thinks desirable. To go over the business now a second time would only result in senseless repetition. The honourable member for Avon was mistaken in assuming that this was being treated lightly, and that the paper was by further publication defying the House. Mr. TANNER .- I stated the whole practices generally prevailing. Sir J. G. WARD .- I am not defending the publication of the evidence at all-quite the contrary; but when the matter was brought under my notice this afternoon by the Chairman of the Privileges Committee I saw that the paper was dated the 27th August, and that was before the privilege question was raised in the House over the first lot of evidence which was published. I could quite understand that members would be

irate and anxious to show their displeasure at hearing of a second breach of privilege, if the evidence published in the paper of the 27th was after the first breach of privilege had been brought before the House, but that was not the case. Consequently, seeing that the Committee was now engaged investigating the first breach of privilege, and the Chairman of that Committee's attention having been called to the second publication, I thought the Committee would investigate this second lot as well, and regard it as a continuation of the first publication. I hope the House will accept the proposal of my colleague, so that we may continue the very important financial debate which was going on, and which is likely to go on for some time. Major STEWARD (Waitaki) .- Sir, as I happen to be the Chairman of the Privileges Committee, I did not intend to say anything on the present occasion, nor shall I say now one single word that might influence the decision of the House as to the course it proposes to take in regard to this particular matter ; but I thought it my duty this afternoon, when a copy of the Dunedin Evening Star of Tuesday was shown to me, to draw the attention of the leader of the House to the fact that that copy contained five columns of what purported to be evidence given before the same Committee in regard to the publication of whose proceedings the first complaint was made. I also thought it my business to mention the matter to you, Sir, as Acting-Speaker, and also to the Chairman of the Mines Committee, which I did. I was not aware that the question was going to be brought up in the House to-night, and I now simply rise for the purpose of pointing out that the remarks of the Minister for Railways did not put the whole case before the House. The honourable gentleman, replying to a remark made by the honourable member for Avon as to the proprietor or publisher of the newspaper in question "having flouted the House by this second publication," pointed out that the second publication occurred prior to the setting-up of the Committee of Privileges by this House-that is to say, the Committee of Privileges was set up on the Wednesday, and the publication took place on the previous Tuesday afternoon ; but there is this fact that should be borne in mind, namely : that the Mines Committee on the Monday, which was the day before the publication, resolved that the matter was a breach of privilege which ought to be reported to the House, and it was so reported. It therefore becomes clear, to my mind at any rate, that the person who was able to obtain the evidence of that Committee for publication must have been thoroughly aware of what the Mines Committee was doing, and presumably he must have been cognisant of the fact that on the Monday the Committee had decided to take the action which it did ; and, if he were cognisant of that fact, it was competent for him, even supposing this second batch of evidence had been sent through the post, to have telegraphed to the newspaper in question. If he did so, then, knowing that the Committee had by resolution decided to bring the matter before the House as a breach of privilege, the editor of the paper would have taken the wise course of not publishing the second batch, unless he had determined to defy the House by publishing it in the face of the fact that that resolution had been passed. I cannot help thinking, myself, it is quite possible that the paper was aware of the resolution passed by the Committee on the Monday : but that is one of those points to which the Committee will have to direct their inquiry." I simply rose for the purpose of showing that the whole case was not stated by the Minister for Railways when he pointed out that the second publication was prior to the action taken by the House .. I thought it necessary to add that, though that is true, it is also true that the second publication was subsequent to the action taken by the Committee, and which was presumably known to every person connected with that publication. Mr. HERRIES (Bay of Plenty) .- 8.0. As I brought this matter before the House I think it is only right that I should explain why I did so. I belong to the Mines Committee, and we are under suspicion at present of having divulged evidence to the paper mentioned ; and, Sir, as long as I see any more of this evidence appearing in the paper I shall always bring it before the House, because

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Committee that these things should not be taken notice of. I asked the Chairman-I did not mean to throw any slight on the Chairman, and I apologize to him if he thinks I did-and, as he would not do it, I thought it

my duty, in self-defence and in the defence of the members of the Committee, to bring it under the notice of the House. I am quite prepared to have the matter referred to the Committee; in fact, I want it to be referred to the Committee, though I think the leader of the House might have gone further and declared it to be a breach of privilege, as was done in the case of the previous publication. I do not want to set up another Committee, as I am quite satisfied with the one already set up. But, Sir, what I want to find out is : Are we going to have a repetition of this? and that is one reason why I got up and called the attention of the House to it. I hold at the present time some of the evidence that has been taken, and which has been handed to me for correction by the Clerk in the proper course, as I took a prominent part in the examination of witnesses. Supposing I find in the issue of the Evening Star of the 28th further publications, suspicion will be cast on me and on other members of that Committee, and I think some step should be taken, in the interests of the Committee and in fairness to the Committee, to see that no further publication of this evidence takes place. I am aware that the Chairman of the Committee, Mr. Jackson Palmer, has said that he has interviewed the representative of the paper in question. An Hon.

MEMBER .- Why should you not be blamed the same as any other member of the Committee ? Mr.

HERRIES .- I have been blamed in common with other members of the Committee, and have been examined before the Committee of Privileges, and I suppose until the actual culprit is found out I shall still be under a sort of ban of suspicion along with my fellow-members of the Committee; and the witnesses also who were present to give evidence are under a ban. We are in a sort of way pariahs, and are shunned on account of having been supposed to have divulged this evidence. I am not saying anything against the paper-in fact, I think their agent showed great enterprise in getting the information ; but I would ask for consideration for the members of the Mines Committee, who while this is going on are still under the suspicion of having gone against the rules and orders of this House ; and I hope that some means will be taken of preventing any further publication of this evidence, because I believe, if the Clerk is asked by the Privileges Committee, it will be found that more of this typewritten copy has disappeared. I trust that steps will be taken to prevent any further evidence being published, in the interest of the Mines Committee, who are under a ban of suspicion. Mr. WITHEFORD (Auckland City) .- I think the whole matter has now been satisfactorily discussed, and we all want to help Sir Joseph ment to speak on the financial debate ; therefore the whole thing might now be referred to the Committee, and we can get on with the business of the House. Mr. T. MACKENZIE (Waihemo) .- I think the senior member for Auckland City takes the right view of the position - that the proper course is to support the acting - leader of the House, and that is the course I intend to take. Motion agreed to, ## FINANCIAL STATEMENT.

INTERRUPTED DEBATE. Mr. HANAN .- There are one or two other matters I should like to briefly touch on before closing my remarks. The first is that of adulteration. In this colony we have on the statute-book an Adulteration Prevention Act, which, to my mind, is practically a dead-letter. We have constituted a Public Health Department, which should administer that Act and enforce its provisions, but so far very little has been done. It is very seldom indeed that we find any Court in the colony dealing with an offence under this Act. This is not a state of things which should be allowed to continue by a live Health Department. What is wanted is the appointment of analysts to go through the colony and procure from Inspectors samples submitted to them for analysis. As it is, this Act is practically a dead-letter, because analysts have not been appointed to perform these functions. Not only is adulteration resorted to in regard to articles of food, such as flour, pepper, sugar, infants' foods, et cetera, but it is also practised in regard to spirituous liquors. We have provided in the Licensing Act for the appointment of Inspectors to procure samples of liquor sold, but even in that respect we find very little, if anything, is being done. Once Inspectors were appointed and a little valuable work was done, but now practically the whole thing is neglected. In the interests of the people it is desirable that there should be taken greater precaution against the practices of those who adulterate and vend food-stuffs. We are practically in the hands of

the unscrupulous adulterator, as we know not the composition of the food of which we partake. The Health Department ought to see that the administration of this Act is carried out strictly. I hope the Minister of Public Health will take a note of this matter, and see his way to enforce the Act. What is the use of passing Public Health Acts unless we are going to carry them into effect. Money spent in safeguarding or securing the health of the people is well spent. It is an important matter to the people, and I think they would not grudge a fair sum being devoted to this praiseworthy object. Sir, it is very gratifying to know that the Government and the Education Boards of the colony are infusing great vigour into the extension of technical education in this colony. I am firmly convinced that the workmen in this or any other country cannot take that place which they ought to occupy in the industrial world until they are skilled to work with their brains as well as with their hands. If we are

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production and excellence of our goods, we must have technical education for our industrial classes. If we want to have experienced workmen and foremen in our great industrial establishments, we must give them that knowledge which is being given in other parts of the world. We must have institutions in this colony of a technical character on a level with similar institutions in Germany and in other countries. I was pleased to hear the able remarks of the honourable member for Wallace, in speaking on the subject of education. It was undoubtedly, Sir, and I say it without flattering him, a very able effort - and one that did credit to his observation and to the superior intelligence that he possesses, and which he conspicuously displayed in connection with his membership of the Royal Commission appointed in connection with the salaries of teachers. This is, no doubt, a very difficult subject. It is one that will take members of this House a considerable time to obtain information upon ; and I have no doubt if they choose to peruse the remarks of the honourable member for Wallace they will get a very lucid exposition of that very difficult subject. In my opinion, the teachers of this colony have not received that attention and consideration which they should have received. We all recognise the splendid work they are doing in dispensing the blessings of that great system of education enjoyed in this colony. It is desirable, if we are to make the best of that system, to have the best teachers in our schools ; and I believe that the report of the Commission will do a great deal of good in the direction of putting the teaching profession and the subject of education generally on a better footing, so that a greater standard of efficiency will be obtainable, and the children of the colony will benefit thereby. I very much regret that the amendment moved by the honourable member for Lyttelton, authorising the Government to issue State notes, was not carried. I am a strong advocate of the Government issuing bank-notes. I can see no distinction between the State issuing penny postage stamps or postal notes and issuing bank-notes. I feel certain, Sir, that when public opinion is fully educated on this subject, it will be received well by this House. I regret that the House has not placed on the statute-book this year such a democratic measure as the referendum ; because if we had passed that measure, which has such a liberal tendency and which will be in accordance with democratic principles, we should be able to refer such great matters as colonial prohibition, loan - borrowing, defence, and such national questions to the people for their decision. At the present time at our elections we do not obtain a clear, distinct, and definite expression of public opinion on many subjects, because there are so many issues involved. If, Sir, we believe in the theory of government for the people, by the people, in the interests of the people, - that the sentiment and will of the people are the great governing powers of the land, - we ought to have that theory put into operation by means of a referendum. I might also express my great satisfaction with the splendid work that has been done, and is being done, by Mr. Jolliffe in connection with the consolidation of the statutes. No doubt our statute-book has been and is now really a wilderness, and it is necessary that a great number of the repealed statutes should be removed from it, and that there should be a comprehensive consolidation of the law effected. It is in the interests of the whole people, of laymen,

and even of the legal profession, that there should be more simplicity and consolidation in regard to the compilation of our laws. There are many legal reforms which I think should be carried out. I should like to see litigation rendered cheaper ; and with that object in view I think it would be desirable, and money well spent, if a Commission were set up of Judges, laymen, and others having a good knowledge of the subject, to ascertain whether we could not take further steps in the direction indicated. To cheapen litigation and improve legal procedure will be a step in the right direction. I say the work that would be accomplished by such a Commission would be most satisfactory, and would achieve higher results than anything we have yet attained. Sir, In my remarks I have touched on a number of subjects which I think are deserving of attention, and which form part of the progressive policy which I believe the Government is desirous of carrying out. We hear a great deal in the House about what the Government has done, and we hear a great deal about the past policy of the Government; but what we want to hear, especially what the new members of the House wish to hear, is the policy the Government intend to pursue in the future. We hear a great deal about cheap money, and we know that has been a factor in promoting the progress of the colony. As far as the land-settlement policy is concerned, I hope it will be carried on in the future with a considerable amount of vigour. Mr. DEPUTY-SPEAKER .- Time is up. Mr. HANAN .- Then I have only to thank honourable members for the patient hearing they have given me; and I hope that our deliberations will lead to some good practical results, and that the measures we may pass this session will tend to promote the social, intellectual, and commercial well-being of the people, and to enhance the political interests and general prosperity of the colony. Mr. A. L. D. FRASER (Napier). - Sir, one naturally has some diffidence in approaching a question of such grave importance as is the one at present before the House and the country. There is the diffidence inherent in human nature. There is a diffidence in following the masterly dissertations we have heard within the last few days-a diffidence after listening to what I might call the philosophical disquisitions on the finances of this colony. Some of those philosophical disquisitions have been calm, intelligent, and considerate ; others have been studied, theatrical, and

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emanated from the Opposition benches, have been clever in the extreme, not clever in the way the honourable member for Riccarton meant when he congratulated the member for Hawke's Bay and the member for Bruce, but clever in the strategistical artifice of drawing the Government side and making marionettes of them. Yes, the Opposition have piped the one air-that the colony was on the verge of the precipice of financial disaster-and the marionettes have danced to it. They have impressed two or three honourable members who I think should have known better. I appear in this House to-night, Sir, and in this debate, as a student and a pupil. I wish to learn what the actual position of the colony is financially. Possibly I am not able to grasp it and analyse it unassisted, and consequently I have to listen to the speeches of honourable members and weigh their utterances. I will here say that if the honourable member for Palmerston wishes to have a little humour at my expense, I will at any time give him half an hour in the Whips' room, or in the lobby, or anywhere he likes. There is nothing I would enjoy more. I know the honourable member is making interjections in a good spirit, and that there is nothing aggressive about them, but I would remark to him that it would be as well to allow me to give expression to the views I have without interruption. No doubt the honourable gentleman will appreciate them before I have concluded. I was saying that I had studied the speeches of the honourable gentlemen who have so far spoken, and I have found I had some difficulty in being guided by those speeches, because they were to a very great extent inconsistent. Inconsistency is found in all the walks of life. It is found in business sometimes, and inconsistency there is called "dishonesty." It is found in politics ; it is found everywhere. It is found on the racecourse even, and there, when inconsistency is brought home to any one, he is " put up " for twelve months or more. Unfortunately that law does not obtain in Parliament,

other- wise one or two members who have spoken in this debate would not be in Wellington at the present time-they would have been "put up " for life. The speeches of the two honourable gentlemen representing the Opposition were speeches one would expect from them. They were consistent. For eight or nine years they have spoken in the same groove. The mere fact of any policy having been put forward by the present Government was quite sufficient for those honourable gentlemen, whether they be- lieved that policy to be correct or not, to oppose it; in fact, it was their absolute duty, as His Majesty's Opposition, to find fault with it. But as to the speeches of some of the honour- able gentlemen who followed them, they were the personification of inconsistency, and in making this statement I recognise the gravity of it, and shall endeavour at a later stage to prove it. In passing, I wish simply to con- gratulate the honourable member for Hawke's Bay and the honourable member for Bruce, because their speeches were clever, and they | draw three or four members on the Government side to support them in their endeavour to show . that the finances of the colony were unsound. Only one word in passing, with regard to the honourable member for Bruce. I think it was ungenerous of him to attribute to the Premier that his only motive in sending our young men to South Africa was entirely political. He said that if the Right Hon. the Premier had been present he would have shown that ; and added that the Premier had not a spark of Imperialism, and actually had not a spark of humanity in him. Well, I can speak from experience of the honourable gentleman's treatment and feeling for our boys that have been sent to the front. I say that if every one of them had been his own children he could not have shown more con- sideration, kindness, or solicitude towards them when they left here, when they reached South Africa, and when they returned. There was not a lad that was sick, or missing, or wounded but most anxious inquiries were made for him, and his parents were kept from day to day duly posted as to how their sons were progressing. I say that was recognised by the Premier to be his duty, and it has been con- scientiously carried out by him. Then, when they returned, positions were found for those that required them as soon as possible. In every case, of course, good positions could not immediately be found, because it is a very diffi- cult thing to do where we have hundreds of them coming back at one time. Some of them, possibly, are a little fastidious, and some of them may have felt that they were not suitable for the work offered to them ; but I feel perfectly sure that the member for Bruce, when he comes to think it over, and when he reads his Hansard report, will recognise that he has to some extent been ungenerous to the Right Hon. the Premier. Now, turning to the honourable member for Hawke's Bay, I have said already that his speech was clever and interesting ; but what astonished me more than anything was that he took as his text a statement, reported to have been made by the Premier to a deputation, that we were in an unsound financial position, and outside that text the honourable gentle- man's speech was simply a string of generali- ties, and nothing very specific in them with regard to the position of the finances of the colony. Now, prove the falsity of that text and nothing remains, and its falsity must be demon- strated if we use a little common-sense. First of all, the Premier has denied it. I know some members on the Opposition benches will say "That is all the more reason why we should believe it"; but that is not the view I take. He has denied it ; and, more than that, within forty-eight hours of the Right Hon. the Premier having been accredited with giving utterance to these sensational words, Sir, Joseph Ward made a speech in Wellington shadowing forth the financial position of the colony in far from a pessimistic tone. Now, it is unnecessary for me to say that the Premier and Sir Joseph Ward are always, in all matters of policy, in all mat- ters affecting the colony, in close intercourse

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tenant of the other, and if any one knows the financial position of the colony it is Sir Joseph Ward ; and if the Premier had made that state- ment, can it be suggested for one moment that Sir Joseph Ward would have the temerity to absolutely deny it within forty-eight hours ? I say that is an answer to Captain Russell, and to the text that he took in his speech on this debate. An Hon. MEMBER .- Mr. Graham was

pre- sent. Mr. A. L. D. FRASER .- The honourable member says that Mr. Graham was present. I am not an old member of this House, but I occasionally read the newspapers, and have done so for some years past, and I remember, as the honourable member for Franklin re- minds us, of an experience of the honourable member for Nelson City as a newspaper corre- spondent, which illustrated that honourable gentleman's capabilities for supplying news of a highly coloured nature. Might he not have supplied the "fairy tale" now referred to? Then, in reference to the next text adopted by Captain Russell, he raised once more the bones of poor John Ballance. Captain RUSSELL .- No. Mr. A. L. D. FRASER .- The crux of Captain Russell's speech was this : that we have aban- doned the policy laid down by the late John Ballance, and that statement was reiterated by the member for Nelson City, by the member for Dunedin City (Mr. Millar), and by the member for Riccarton ; every one of whom took up that text and discussed it ad nauseam. Now, is it not strange to find Captain Russell to-day elevat- ing the late John Ballance to a high pedestal in political history, for when Mr. Ballance was in power there was no one who opposed him more #cc-zero than the honourable member, and the attacks of that party actually assisted to bring about his early death. An Hon. MEMBER .- Oh, rubbish. Mr. A. L. D. FRASER .- The honourable member says that is rubbish. The honourable member may disagree with me with respect to that ; but I repeat, what helped to drive him to an early death was the cruel criticism from those benches and from the Conservative news- papers of New Zealand. The whole essence of the late honourable gentleman's policy was an- tagonistic to that of those members sitting on those benches. Now, to-day that policy is brought forward as the only policy originat- ing from the present Government that was worthy of consideration ; and we are now ac- cused of having thrown it overboard and of sailing under false colours. If the honourable member for Hawke's Bay never makes another speech in this House he will retire with honours for his success in "borrowing " the honourable gentlemen just referred to: and I intend later to clearly show how he has exploited them. Now, Sir, to prove that those two 8.30. honourable gentlemen have drawn members on this side of the House, I would ask, Why do we not find an attempt on the part of honourable members on the opposite Mr. A. L. D. Fraser Statement? Where is the didactic Herries ? Where is sledge-hammer Massey ? Where is the Demosthenes of Waitemata ? Mr. MONK .- I am waiting here for some- body to answer what has already been said. Mr. A. L. D. FRASER .- Where is the ubiquitous Pirani ?- not one of them moving, for the simple reason that Captain Russell and the member for Bruce have so successfully exploited Messrs. Millar, G. W. Russell, and Graham. Mr. PIRANI .- We are waiting for a Minister. Mr. A. L. D. FRASER .- " Waiting for a Minister " ! You know perfectly well that that is not the reason. You are sitting there, Mephi- stopheles-like, gloating over the errors of your in- carnated Faust. You are waiting for a Minister, and possibly a Minister will be with you in a short time whom you will be able to confess to. We will now leave the texts of Captain Russell for metal more attractive. With other honour- able gentleman I say that I am not a financier. Captain Russell said that he, too, was not a financier ; and it is strange to relate that one or two honourable members who have followed him have used the same words. When Captain Russell said that he was not a financier he must have said so owing to diffidence, for he should be one. He has had extensive experience ; but when the honourable member for Nelson City (Mr. Graham) says that he is not a financier, I say it is hardly necessary for him to tell us so, for it is self-evident. During the last few days both he and the honourable member for Riccar- ton have given us their views on the financial position of the colony as it is at the present time, and as it has been during the past ten years. Figuratively speaking, it was only yesterday when, at the hustings, with the goal of Parlia- ment before them, that their views were then entirely different from what they are now. I say, therefore, that I would rather have the consistency of the Opposition than the incon- sistency of those honourable gentlemen who are now being smiled at by those sitting op- posite, for the reason that they have been made use of. I will now, for a moment or two, deal with the honourable member for Ric- carton, and I shall demonstrate that the only consistency he has

displayed has been in his inconsistency. We have now had for some time three recognised parties in this House. We have recognised the Opposition ; we have also recognised the "left-wingers "- and in saying that, I am not speaking dis- respectfully ; and we have recognised the repre- sentatives on the Government side of the House. But now we find that we have here those who are not connected with the Opposition, nor with the " left wing "-for the members of that party would not have them-nor are they on the Go- vernment side. Then, I would ask, What are they ? and would reply, that they have become a fourth party. What shall we call them ? In my opinion we can only call them Ishmaelites - Ishmaelites, whose hands are raised against every one and who have every one's hands raised against them.

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better. Mr. A. L. D. FRASER .- Well, I wish to show that, though we had possibly the most damaging speech-I say the most damaging speech, on the surface of it-from the member for Riccarton, I, as a student, cannot follow him, because I say, in a political or Pick wickian sense, I do not believe him. His figures I do not believe. His deductions I do not believe, because his expressed views were the very oppo- site only a few months ago. Now, let us take the first point that strikes me. I say that he cannot belong to the Opposition, and to prove this I will quote from his speech delivered in Canterbury. This is what he says : - " Looking at the state of parties, there was first the old unchanging Conservative policy. Captain Russell had neither the force of character nor the clearness of thought that was necessary for a leader. On every previous occasion there had been a clearly defined issue ; but the present Opposition said, ' Put us into power and we will carry out your policy.' Had they not better trust the men who had not only formed their own policy, but had carried it out ?" Well, the gentleman who gives expression to those views, I suggest is not a member of the Opposition. Then we come to the next important party on those benches, the " left- wingers." Now, the member for Riccarton cannot belong to them, for he says this of them :- "He said it to their shame, the ' left wing' had joined the Conservatives in opposing every measure brought forward by the Government." Mr. HUTCHESON .- What a falling-off is there. Mr. A. L. D. FRASER .- The honourable gentleman, I hope, does not think I am speaking disrespectfully of the "left wing" ; but I wish to show that, as a student, I cannot follow an inconsistent politician. I say the honourable member for Riccarton, again, cannot be a Government supporter, judging by his speech the other evening, because he endeavoured to demonstrate that, through the careless or the almost criminal neglect of the finances of this colony, we were practically on the verge of bankruptcy. And it has simply come to this : that that honourable gentleman is opposed to every one in this House, and stands alone. It is strange that the other evening he could abuse the party with which I am in some way connected, and yet, as I said a moment ago, when he wished to obtain a seat in this House his opinion of this Government was very dif- ferent indeed. And just here let us note, if our finances are so bad to-day, were they not equally as bad twelve or eighteen months ago ? An Hon. MEMBER .- No. Mr. A. L. D. FRASER .- Oh, they were not. Well, honourable members say " No"; but it has been stated by honourable members during this debate that our finances have been going from bad to worse, year after year, for the last seven, eight, or nine years. Well, if they were bad eighteen months or two years ago, on the eve and the honourable gentleman comes to this House and says we must turn out or turn back the Government in their extravagance and mal- administration of the finances of the colony. If that is correct, then that honourable member is in either one of two positions : he either deceived his constituents two years ago, or he is deceiving the House to-day. What did the honourable gentlemen state when he was woo- ing the votes of the people of his electorate ? I will quote once more from him, as I do not wish to put words into his mouth that he did not say. He said,- "The Government party was not without fault, but when such questions as poverty and higher education had to be faced, he would go with the party that would take up reforms, and if returned, he would vote with Mr. Seddon and the Liberal Government." Now, there is the opinion of the honourable member when asking that he should be returned to Parliament. But he went

further. Sir, he has endeavoured to prove by his speech in this House that the Right Hon. the Colonial Treasurer is unfit to control the reins of Government and to have intrusted to his care the finances of this colony. I say that the honourable member is the personification of inconsistency. I regret that the rules of Parliament will not permit me to use a stronger word. Let me read what he said when asking his constituents to elect him to a seat in this House. This is what he said when opposing Mr. Rolleston—certainly a consistent politician, and one whose name is writ large and favourably in the history of this country,— "He had been a Liberal all his life, and had no wish to be anything else, and he solicited their suffrages, not so much on account of himself personally, but as a representative of that Liberal Government about which he had been speaking." To show the prosperity of the country Mr. Russell then quoted the increases between the ten years 1888 and 1898. It is unnecessary for me, even if I had the time, to quote the figures, but this is what he finishes up with,— "And for that prosperity the country was indebted to a Liberal Government—the present Government. With regard to the re-election of Mr. Seddon as Premier, his own opinion was that Mr. Seddon would continue Premier for a very long time, and he (Mr. Russell) would do his best to keep him there." Now look upon that picture, and look upon this. I say once more, are we to accept the inconsistencies, or believe the figures and deductions of the honourable member for Riccarton? We find that, eighteen months ago, according to him, the colony had never known such prosperity, and yet to-night it is practically bankrupt; and his latest effort has been grasped with the greatest delight by the Conservative Press, and, figuratively speaking, he has been slapped on the back, as was the honourable member for Dunedin, in this evening's Post. "Damned with faint praise," but they can

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The honourable member for Riccarton on that occasion said: "If I am returned to the House whenever the Government bring forward any measure I will be with them. There can be no three lobbies. There is only the 'Aye' and the 'No.'" Now, I am going to show you again the inconsistency of the honourable member. He said he did not know a third lobby. I am going to demonstrate that he does know a third lobby. And, by the bye, that just reminds me that in a leading newspaper published in Canterbury, known as the Spectator, the following important announcement occurs:—"Messrs. W. W. Collins and G. W. Russell may fairly be complimented upon the determined stand they have taken up against the Public Revenues Bill and the '£40 steal.'" They should have been backed up by every member of the House who possessed a spark of independence. There are men and men. There are also jelly-fish." This is the opinion of a leading Canterbury journal upon the Public Revenues Bill and what is now known as the "\$40 steal." Let us look how the member for Riccarton voted with regard to these subjects. He could find a third lobby when they were before the House, for we find when the Public Revenues Bill was being dealt with he voted for the second reading and its committal, but when it came into Committee he was like the Arabs—he packed up his tent and silently stole away. Mr. PIRANI.—There were a good many with him. Mr. A. L. D. FRASER.—Possibly. And where was his vote when the £40 was given to members? The honourable member for Palmerston opposed it, and took his stand in the House and voted against it. There is consistency; but the honourable member who congratulates himself in his own paper on the position he took in regard to these two subjects, after not voting against one of the proposals and then accepting the benefit accruing therefrom—well, he is a political juggler; his kaleidoscopic changes from one side to another must remove any confidence one should have in him. Again, it is fresh in my memory, there was a question before the House which, on its second reading, the honourable member supported, and when it came into Committee he voted against it; and when it came to the third reading he spoke against it, and was challenged to record his vote, but he could not be found. The division-bell was specially rung to see how he would vote, but he was not forthcoming, although he was in the Chamber three minutes before. Yet he told us he was a consistent supporter of the Seddon

Administration, and that there were only two lobbies. It has simply come to this : that he has not been the success he anticipated, he has not had-shall I call it the encouragement ?- he expected. His seat is still over there ; his seat is not here. He expected long before this to either be the bright Kohinoor in the diadem of the Opposition, or the Colonial Treasurer on the Ministerial benches. He has now found Mr. A. L. D. Fraser consequently- Mr. WILFORD .- He has been had by both. Mr. A. L. D. FRASER .- Yes; he has been had by both. Consequently, in his attempt to discover the Isles of the Blessed he has drifted into the drawing-room of the damned. Review- ing the speeches of the honourable gentleman eighteen months ago and his utterances in this Chamber within the last few hours, no better words can describe his political position than those of Milton,- Farewell hope, and with hope farewell fear ; Farewell remorse; all good to me is lost; Evil, be thou my good ! Mr. McGUIRE .- Give us something about the Financial Statement now. Mr. A. L. D. FRASER .- I said to-night I was no financier. I was particularly not going to deal with the intricate question of finance, but that I was going to endeavour to show this House and country the inconsistency of honour- able members who attack the finances of the Government. If that is not dealing logically and legitimately with the Financial Statement I regret the honourable member who comes from the West Coast, which I understand is a district as prolific in intellect as butter, should not be able to appreciate me. Now, the honour- able gentleman, the member for Nelson City, supplemented his remarks yesterday evening by saying that he did not pretend to be a financier. Well, I venture to suggest to him that, if there is any man in this House who does pretend to be a financier, it is the honourable member for Nelson City. He has for many years pretended to be a financier, and to have a marvellous power of analysing the most intricate questions of finance. Now, he has told us, almost in stronger language than the honourable member for Riccarton, that our position was disastrous, that we were in a maelstrom from which we could not be ex- tricated except by far more masterly and honest hands than those now on the Treasury benches. But the honourable gentleman is, if possible, more inconsistent than the honourable mem- ber for Riccarton. I find that he says that no autocratic government has been more lavish in the administration of affairs than has been done by this Government during the last few years. Now, if honourable members will remember these words, it will be interesting to find what that honourable gentleman's opinion was on a previous occasion, not so long ago. But he has got the political influenza that was brought into this House by the honourable member for Hawke's Bay and the member for Bruce. It is contagious, and he and the honourable member for Riccarton have it very bad, and in a milder degree so has the member for Dunedin City. Now, the honourable member told us last night that this Government had been most extrava- gant, and that our surplus was obtained on a wrong basis, and had been wrongfully trans- ferred to the Public Works Account. An Hon. MEMBER .- Hear, hear. Mr. A. L. D. FRASER .- The honourable gentleman may be perfectly right. I do not

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member for Wellington City. I am only en- deavouring to demonstrate I am right in not following these honourable gentlemen in their We are told analysis of our colony's finances. by the honourable member for Nelson City that the surplus has been obtained on a wrong basis, and has been wrongfully transferred to the Public Works Account. Let us read what the honourable gentleman had to say on that sub- ject only a short time ago when he was anxious to be returned to this House. I quote his words, - " Two millions of surplus had been spent in carrying out public works, without the people of the colony being injured." That was his view then; he has turned a somersault that would be invaluable in the arena. Let us take one more statement of his. He is once more following the lead of the honourable member for Hawke's Bay, the honourable member for Riccarton, and the honourable member for Dunedin City : "The Ballance policy has been ignored by the Seddon Government." We have heard the Ballance policy quoted ad nauseam-page after page of his speeches were quoted ; and what did the honourable member for Nelson City say, when he was addressing his constituents, in regard to the Ballance policy? I will read to the

House what the honourable member said ; it is most interesting-and, by-the-by, let me say, parenthetically, that the member for Nelson City at that time was opposing a gentleman who supported the Opposition-a very highly esteemed gentleman, Mr. Hursthouse, who had fairly and conscientiously analysed from his standpoint the position of the Government. Mr. Hursthouse had said the Ballance policy had not been carried out by Mr. Seddon and his colleagues ; and the member for Nelson City replied to him - the member for Nelson City, who now says we are not following that policy. His reply-which I ask honourable members to compare with what he said last night-was as follows : - " With regard to the reference to Mr. Ballance's self-reliant policy, he said it was impossible to carry out improvements, public or private, without money, and the people could not be called upon for all that was required, but by the amount that had been raised and expended in this way a saving of between £60,000 and £70,000 per annum had resulted. Old-age pensions had been paid without an increase of taxation being required. It had been said that the present Government came in as a non-borrowing Government. Of course, the great railway system could not be proceeded with without borrowed money. The Government had not done, as was done in the seventies, borrowed millions and imported people to do the work, and, when finished, leave the colony in a state of depression. The policy of the present Government had been to carry on works in a moderate way, contributing part of the cost out of surplus revenue, and, aiding by borrowing, making the works reproductive." Let honourable members think of the speech night, and compare it with the quotation I have read, and I ask, can any one believe in the consistency or the political truthfulness of an honourable member who gives expression to such contrary statements? I repeat, that if we are to-day financially unsound and weak, we were equally so eighteen months ago. An Hon. MEMBER .- No. Mr. A. L. D. FRASER .- Well, I will not say we were equally as weak, but we were practically as bad. If we are bad now, we were practically as bad eighteen months ago, because we were carrying on the same policy. I use this argument to introduce the views of the honourable member for Nelson City in his speech last night and his views eighteen months ago. Now, this is what he said with regard to the financial position of the colony eighteen months ago :- "Liberal measures had advanced the prosperity of the country as it had never before advanced. New Zealand, which was in the sink of depression when Mr. Ballance snatched it from the feeble hands of its former guides, now stands among the very first of the Australian Colonies in point of material prosperity." There are the views of the honourable gentleman when he was addressing his constituents. Again I ask, am I to accept the analysis of the finances of the colony from one who is such a weathercock, and who can change colour like the chameleon ? We go a little further, and we find that last night Mr. Seddon, according to the honourable member, was a financial Ananias; he was not to be trusted with the reins of Government, especially with finance. But what was the honourable gentleman's opinion, figuratively speaking, only twenty-eight hours before ? We find this is what the honourable gentleman said of our Premier :- "Some good measures were passed last session, and the reason for their being passed was that in Mr. Seddon they had a giant compared with the men who opposed him, and he was a leader of whom New Zealand or any country might well be proud." Does he forget that eighteen months ago, when he was endeavouring to gain his seat, he said the right honourable gentleman was a giant compared with the men opposed to him, and that he was a leader whom New Zealand or any other country might well be proud ? He proceeds, -- "He did not know Mr. Seddon as well six years ago as he did now. He went to Parliament as a Liberal supporter, a supporter of Liberal principles, and, fortunately, they had a leader whom he had learned to respect more and more, and he was a consistent supporter of the Government, and would support the Government and Mr. Seddon so long as the Premier maintained the policy of the past, as he intended to. After six years' experience, and knowing the Premier, he said that he had never had dealings with a better or straighter man than Mr. Seddon. He had absolute confidence in the Premier." I say it was dishonest and frivolous for the honourable gentleman to waste our time last

ceive us or was deceiving his constituents when he addressed those words to them. Now, I have devoted far more time than I had intended in order to show that I could not and would not accept the analysis of those honourable gentlemen of our financial position, and I say once more, after proving that they are not worthy of credence, Should not the honourable member for Hawke's Bay and the honourable member for Bruce be congratulated for having so successfully drawn those honourable members, and having encouraged them to make such a political exhibition of themselves as they have done within the last few days? An Hon. MEMBER .- What about Ashley and Dunedin ? Mr. A. L. D. FRASER .- Well, Mr. Meredith, no doubt, will be attended to during the debate. But I somehow regret that those honourable gentlemen have taken the stand they have, because they receive no sympathy from any part of the House. They have no sympathy from those gentlemen sitting on the Opposition benches, nor have they any sympathy from the gentlemen of whom I respectfully speak as the "left wing." They are simply laughing at them. It is a morganatic marriage; nothing good can come of it ; even the issue will get no And therefore I say they benefit from it. should have our pity. An Hon. MEMBER .- What about Mr. Millar ? Mr. A. L. D. FRASER .- Sir, these interruptions strengthen me in my belief that there is no sympathy for them. You are laughing at them, you are enjoying the fun, and you are delighted to see those honourable gentlemen under the lash. Mr. PIRANI .- We have been through it. Mr. A. L. D. FRASER .- No doubt, and probably my time will come some day. But the speeches of the honourable member for Riccarton and the honourable member for Nelson City -comparing their late speeches with what they stated to their constituents, and led them to believe was the true state of our finance-brings back to my mind the analysis of a politician as given by Winston Churchill in his maiden speech in the House of Commons not many months ago. He said a politician was the most paradoxical person in the world ; he was asked to stand, he wanted to sit, and he was expected to lie. We will leave those two gentlemen. I shall briefly refer to the honourable member for Dunedin City by saying that he has suddenly taken a very keen interest in the financial position of the colony. I notice he also has been damned by faint praise from the Evening Post, which said he had been either too negligent or too indifferent to go into the financial position of the colony until yesterday afternoon, and that is what I say. Here is an honourable member who has more than the average ability as a politician, and until yesterday he could not lay the views that he had on the financial position before this House and the people of the colony, and I say it is to the discredit of the honourable member. He has neglected his duty as a member of the House of Representatives if he has "laid low" and encouraged false hopes and aspirations in the hearts of the people of the colony, and by his silence led them to believe that they were in a sound financial position when they were not. He took us on a marine excursion ; he took us in tow-to adopt his marine phrasology or metaphor-and, judging from the views that he enunciated, I felt as I have often felt on a marine excursion ! In fact, it was nothing more or less, if his deduction of the financial position of the colony is true, than another " Marine" scandal. The honourable member, as I have said, took us for an excursion ; and I may say that there is no member of whom I can speak with greater respect than the member for Dunedin City, Mr. Millar ; but the honourable member has been unfair to himself and to the country. To follow his metaphor, he has gone to sea as one of the crew of the good ship "Finance" ; he has pretended to be a friend, helper, and assistant of the captain, and yet when danger looms the mask is thrown off and he attempts to scuttle the ship! In conclusion, I regret that, if the honourable member really expressed his honest convictions when speaking in this debate, he did not speak equally fearlessly eighteen months ago, though, to do him justice, he does accept some personal blame. As I have very few minutes left I shall not be able to deal with several matters of some importance. Suffice, as a student in the school of politics, I have endeavoured to prove that I am justified in not accepting the dictum of the junior master, who would usurp the functions of the principal. The latter has been consistent in his financial problems, the former inconsistent. The

comments, so hostile, of the colony's finance come from those whose actions in the past leave them open to gravest censure, for if our financial position is as they would have us believe they must have assisted to bring it about. They now endeavour to foist the blame on other shoulders, and deny responsibility. There is, however, one feature in the finances of the colony that strikes me as being a fair barometer, and that is the income-tax. That is one of the most reliable tests we can have-informing us whether there is a storm to be expected in the near future, or whether the horizon is clear. But, before touching that point, it should not be forgotten that we have had a very extraordinary and abnormal expenditure during the last year or two. and this brings to my mind the remarks of the member for Wairarapa that in the estimates the whole of the expenses have not been put down. I cannot help but express this opinion : that, as far as I am able to judge, one of the most important parts of the abnormal expense has not been recognised by the Government, because I cannot conceive that the expenses that this colony has been put to since last January in receiving the Imperial troops, in receiving the Indian troops, and later in receiving their Royal Highnesses the Duke and Duchess of York, have only amounted to £52,000. I say that the Government can-

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not tell us that the cost of assembling troops, et cetera, for the reception of the Duke and Duchess of York at Auckland, Wellington, Christchurch, and Dunedin only came to £20,000. On this basis there were eleven thousand troops assembled in Christchurch at a cost of only some £3,000 or £4,000. Mr. PIRANI .- The Government say so. Mr. A. L. D. FRASER .- Yes, the Government say so, and this is why I am pointing it out. I am perfectly sure that when the honourable members sitting on the Ministerial benches reply they will explain this matter. It seems to me that something has been omitted, something overlooked. An Hon. MEMBER .- You are no longer the student now. Mr. A. L. D. FRASER .- We live and learn, and I suppose I am learning. On the question of the income-tax, I wish to say that if we use that as a test we can safely ascertain the progress of the colony. It is well known that the income-tax is levied on all incomes over £300 per annum. There are exemptions for bad debts, expenses incurred, et cetera. The average income of all bread-winners of the colony at the present time is £94, and the higher average we get the higher the prosperity it indicates. During the last seven years the increase of the earnings of the bread-winners of both sexes and all ages and occupations has been £3, and since 1891-since this much maligned Government came into power-we find that the income liable to taxation has been more than doubled. As a student in finance, I use this as an illustration, and it strikes me that it is a barometer that cannot mislead. I hold that we are justified in accepting the reading of this barometer as a true indication of the prosperity of the colony. I venture to suggest that there is no country in the world that can show such a record as the doubling of the earnings of the bread-winners in ten years. Mr. MILLAR .- How much of that is in the Civil Service. Mr. A. L. D. FRASER .- I am not prepared to say. I did hope that I would have been able to deal with a question that did not come directly, but indirectly, into the Financial Statement, and that is the immense liquid assets we have, and which have been referred to by honourable members during the course of this debate. I refer to the lands purchased for land for settlements, securities on advances to settlers, and the land purchased from the Natives. As great importance and value must be placed upon the latter as on the other two. It will hardly be credited that the Government, since they came into power, have purchased two millions and a half acres of land from the Natives at the enormous average price of 5s. 6d. per acre. To my certain knowledge thousands of acres of that land was worth \$3 in the open market. Mr. PIRANI .- You are wrong. Mr. A. L. D. FRASER .- The honourable member says that I am wrong, but I say that his remark demonstrates that I am right. That that land was bought at a price much under its real value is undeniable. Seeing that the Government have purchased two millions and a half acres of land at 50 per cent. under its value, I say that the colony has in it a very sound liquid asset. The honourable gentleman says that these figures are wrong, but I

assert that they are correct. I find that since 1891 there were purchased from the Natives 2,551,236 acres, at a cost of £678,868. That averages 5s. 6d. per acre. Well, now, I say that the time has arrived when the Government should purchase no more land. They have long ago purchased quite enough for their requirements, and it is time the general public had an opportunity of acquiring some of the land the Government have had a monopoly of. The Government should, I say, instead of taking the pre-emptive right in 1894, have depended on the Native Lands Acquisition Act of 1893, under which every acre of land which was purchased had to go before a competent tribunal to inquire whether the price was a fair one, and whether the Natives had sufficient land left. Now, owing to the legislation of last session, we find that the whole of the Native land question and everything connected with it is tied up. It is disastrous, I say, to the colony, and more especially to the North Island ; it is disastrous to the Natives in every sense. They cannot sell or lease an acre of land to pay their debts, or provide for their urgent wants ; and why ? Because the Government brought down in the dying hours of last session a measure which displayed an entire absence of intellectual digestion, and which was not approved of by the Native Affairs Committee. It was certainly, at a special meeting, approved of by a majority of one, but it should never have been passed ; and, now that it has been passed, it has been found by the Government and by their Law Officers to be absolutely unworkable ; and, I say, instead of endeavouring to amend that measure this session, we should wipe it off the statute-book, and let us have in its place some common-sense and beneficial legislation. As my hour has now passed, I must defer my comments upon this most important subject to some future occasion. Mr. FISHER (Wellington City) .- Give me the avowed, the erect, the manly foe, Him I can meet-perhaps in turn his blow ; But of all plagues, good Heaven, thy wrath can send, Save, save, oh ! save me from the candid friend. So said George Canning in his " New Morality " very many years ago. And so say all of us in this House to-day. One can respect the consistent opposition of a pronounced opponent, but we cannot understand the action of a friend who turns and rends us without a moment's notice. This is not honest. It cannot even be called candid, in the true sense. Sir, we have been wounded in the house of our friends. Four speeches delivered during the present debate by members of our own party have been distinctly opposed to the Government. I do not say there was any spirit of animosity manifested in the speech of the honourable member for Dunedin City (Mr. Millar). I do not say there was any spirit of animosity

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member for Wairarapa (Mr. Hornsby) ; but I do say that there was a distinct spirit of animosity and unfriendliness in the speeches of the member for Nelson City (Mr. Graham), and the member for Ashley (Mr. Meredith). The member for Ashley said he hoped his friends on the Ministerial benches would not think he entertained any unfriendly feeling towards them, and immediately he began to tear them to pieces to the best of his ability. Certainly his criticism of the Ministry was not in any sense destructive ; but he said he wondered how Ministers could demurely and placidly listen to the strong impeachment of their departments without reply. That he could not understand. Lord Derby, in one of his most trying periods, complained not of the taunts and charges of the Opposition proper - they were legitimate and inevitable -but of the petulant and irritating complaints of members of his own party. The two together were more than he could bear. That is the spectacle we have presented to us to-day. We have members of our own party who stand wringing their hands and looking out at the future with the most gloomy forebodings. Now, why these gloomy forebodings ? Why so suddenly ? Why did they not perceive this gloomy outlook last year, and the year before, and the year before that ? The member for Dunedin City (Mr. Millar) told us he intended to criticize fearlessly the policy of the Government, yet he was manly enough to say that he was prepared to take his share of the blame of everything the Government had done. He said the time had come when the lavish expenditure of the past must cease. Upon that point the Government has anticipated the honourable gentleman, as I will presently show. Sir, during the time of

the Crimean war a capital caricature in Punch represented one gentleman showing another how easily Cronstadt could be captured-after dinner. The member for Riccarton has airily shown us how the whole policy of the Government can be reversed-in the twinkling of an eye. But we need not deal too severely with the member for Riccarton. Caliban, in the "Tempest," says :- Beat him enough : after a little time, I'll beat him too. The member for Riccarton has been so vigorously denounced by the member for Napier that it would be quite ungenerous to accept any such suggestion from Caliban. The member for Dunedin City and the member for Wairarapa had some legitimate ground for objecting to a too close adherence to the past policy of the Government; but in the case of the honourable member for Ashley, Mr. Meredith, there must, I think, be some rankling feeling of personal disappointment. What that may be, one, of course, can never tell. As to the honourable member for Nelson City, Mr. Graham, I am sure the labyrinth of figures with which he deluged the House last evening cannot possibly have any intelligent meaning to members of this House or to those of the public who may read his Mr. Fisher the speech which he delivered last night and the speech which he delivered in the House two years ago, namely : that when he concluded last evening not one single official of the Treasury Department and not one single member of the Ministry went over to the honourable gentleman to shake hands with him and congratulate him. Now, Sir, all this condemnation that has been hurled at the Government by four members of our own party will result in no harm. No evil will come of it. In-goldsby tells us that when the Cardinal of Rheims delivered his terrible curse, Nobody seemed one penny the worse. My objection to the Statement is its inordinate length. I object to its periphrastic redundancy, its cloudiness and complexity of diction, its contradictions in relation to surpluses, remissions of taxation, and of borrowing. The Financial Statement which the late Sir Harry Atkinson submitted to this House in 1888 was a Statement of an entirely different character. It was a model of pithy compression. It dealt with the most trying financial crisis this country has ever passed through. The whole country was in a state of despondency and gloom, resulting from the wretched administration of the Stout-Vogel Government from 1884 to 1887, which landed this country in a state of bankruptcy, and compelled Sir Frederick Whitaker to announce in the Upper House that if that Chamber did not consent to pass the million Loan Bill which Sir Harry Atkinson found it necessary to introduce to save the honour of the colony this country would have to file its schedule (Hansard, Volume 60, page 132). That Financial Statement, which rang out the state of the country clear as a bell, was compressed into thirteen pages. It was hard, clear, gritty, telling. This Statement covers twenty-six pages, exactly double the length, and it is neither clear nor telling. It would be easy to find fault with some of its expressions ; but it is not the expressions, it is not the verbiage of the Statement we are here to discuss. We are here to discuss the solid financial results of the year. Here are some little faults of expression. For instance, why is it necessary in a dry, hard, matter-of-fact Financial Statement to compliment the Duke of Cornwall and York upon the amiability of his wife ? Why is it necessary for the Colonial Treasurer to congratulate his "worthy " colleague the Postmaster. General, unless for the purpose of distinguishing him from his other unworthy colleagues ? As to the Statement itself, I candidly and honestly confess I have not even to this moment read the whole of it. The exordium and the peroration were enough for me. But let us get to the complexities, and the contradictions. After stating that there was "a pleasant surprise in store" in the shape of a balance on the credit side amounting to \$532,564, the honourable gentleman, somewhat inharmoniously, immediately proceeds to assure us that "the revenue this year more than meets the expenditure, and that there will be no deficit." Now, leaving

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out the twenty-six pages, and the exordium and the peroration, here is all we want to know, and all the country wants to know. These are the figures-pago v. of the Statement-supplied by the Treasury officials : - "RESULT. "The revenue for the year was £5,906,916, and the ordinary expenditure £5,479,703, leaving

a balance of #427.213. Out of the balance brought forward from the previous year (1899-1900) of £605,351, a transfer of \$500,000 was made to the Public Works Fund, leaving £105,351 to be added to the results of the year's transactions, producing at the close of the year a balance amounting to £532,564, which I indicated in my introductory remarks." That gives the net result of the year's finance. Suppose it be admitted that there was some justification for the warnings given by the member for Dunedin City, the member for Wairarapa, the member for Nelson City, and the member for Ashley, still they were anticipated upon every point, for the Colonial Treasurer in the Statement gave three warnings for their every one. There are nine warnings in the Statement. Here they are :- "The only possible foundation that could give rise to what appeared in certain papers was a statement made by me warning a deputation of members and other gentlemen against pressing for an excessive public works expenditure, thereby entailing borrowing and squandering. Incidentally I stated that the revenue returns, as furnished by the departments, did not warrant the suggested expenditure, and that this caused me some anxiety."-Warning No. 1. "It is well, however, that I should, in respect to the expenditure, urge the absolute necessity for prudence and economy."-Warning No. 2. "Correspondingly there should be a jealously guarded expenditure, for a restricted population can only bear a limited and reasonable impost of taxation." -- Warning No. 3. "The more prudent course is to defer any further reduction in revenue to a more favourable opportunity, and the national expenditure should be cut down to the lowest limit consistent with efficiency after providing for the necessary requirements."-Warning No. 4. "The eager and pressing desire for the rapid construction of public works and conveniences has forced borrowing up to a limit beyond which it would not be safe to go."-Warning No. 5. "In respect to the expenditure on several classes of public works, district railways, and especially buildings and works which are more a matter of convenience than of necessity, prudence demands that there should be a reduction in the expenditure thereon, especially seeing that our population is so slowly increasing."-Warning No. 6. "Coming to the demands upon the consolidated 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. 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."-Warning No. 7. "It will be some little time ere any loan could with advantage be floated in the Mother-country. It becomes necessary, therefore, that a large proportion of the amount required and authorised should be raised locally ; and, this being the case, there should be a careful public works expenditure until a favourable opportunity for raising the money in London arrives."-Warning No. 8. "Having given a general summary of the situation, which, viewed in the light of the elasticity of our resources, is, if anything, on the side of caution, I will now proceed to give the details of the receipts and expenditure of last year."-Warning No. 9. These warnings should meet all the demands of those four members in regard to prudence and caution. Mr. MILLAR .- What has the Statement asked for ? Mr. FISHER .- That you should consult the meteorologist, and go slow. Sir, I have already alluded to the fact that those members who have complained of the lavish expenditure of the Government have not at any previous period called attention to the rate at which, financially, the country was travelling. Now, Sir, last session I did call attention to that fact. In speaking on the Customs Duties Bill I called attention to the large remissions which the Government had made in many directions. The Customs Duties Bill was discussed on the 3rd August, 1900. I will read a portion of what I said :- "The proposed remissions have been made in a generous and liberal way. Indeed, so generous are the remissions that if I were the leader of the Opposition I should not greatly relish the prospect of succeeding to the Government benches for many years to come ". I now take a more cheerful view of that. I will make a prediction ; it is this: Within three years I shall occupy a seat on those benches as a Minister of the Crown, not by the gracious will of an individual, but by the goodwill and accord of members of this House or the

next House. "-for should a period of depression unhappily set in after his accession to office he would feel severely the financial strain resulting from the present extensive remission of Customs duties." Now, Sir, why did not these honourable gentlemen who have condemned the Government for their excessive expenditure, and the rate at which the expenditure of the colony has been proceeding, call attention to what the Government have done in the matter of remissions and concessions as a set-off to their excesses and extravagances? Here is the list of remissions, concessions, and of the extraordinary expenditure for the last financial year :-

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157,000 Remissions of Customs duties Railway concessions (see page xii., Financial Statement)

165,000 Postal concessions. . 75,000 . . . Old-age pensions 215,000 . . Contingents (expended during

last 82,000 financial year) .. Imperial troops 5,000 Visit of Duke and Duchess of Cornwall 50,000

Tranferred to Public Works 500,000 .. £1,249,000 Now, there is a sum of £1,249,000 which the

Government have remitted on the one hand and paid out of the ordinary revenue of the country on the

other. Now, why did not the honourable member for Dunedin City (Mr. Millar), and the honourable member for Wairarapa (Mr. Hornsby) refer to these concessions and to this extraordinary expenditure?

And I ask that, as they did not in previous years, and as they did not in their speeches delivered during this debate, refer to these matters, will they say now whether they object to the Customs remissions, or to the votes for the contingents, for the Imperial troops, or for the visit of the Duke and Duchess of Cornwall?

Do they object to the transfer of £500,000 from ordinary revenue for the carrying-on of public works?

What do these honourable gentlemen want ? They do not express themselves with sufficient clearness.

The honourable member for Napier, I think, touched the point. Do they aim at the formation of a new party, or do they think of joining this remnant of the old Opposition party? Sir, one of the most fortunate

things that has happened to this most fortunate Premier, the Right Hon. Mr. Seddon, is that the

honourable member for Hawke's Bay has been leader of the Opposition for many years past. Sir, I am reminded of two parallel cases, one when Sir Robert Stout was Premier and Sir Harry Atkinson leader of

the Opposition, the other when Sir Harry Atkinson was Premier and Mr. Montgomery leader of the

Opposition. The closer of the two is that of Sir Harry Atkinson as Premier and Mr. Montgomery as leader

of the Opposition. Sir Harry Atkinson's Premiership was assured as long as Mr. Montgomery remained

leader of the Opposition, and so is the position of the present Premier assured as long as Captain Russell

remains leader of the Opposition. Well, I say, are these gentlemen waiting for the formation of a new party

? Are they ready to jump? What are they waiting for? All they are doing now is that they are aiding these

disorganized political tatterdemalions - the remnant of the old Opposition-who are fit only to rank, in the

Pickwickian sense, with Falstaff's ragged regiment. The member for Hawke's Bay referred the other day

to a scene in Mozart's "Don Giovanni," in which Don Juan, who is described as a sceptic and a libertine,

is feasting with his friends at a gorgeous banquet. He insults the memory of Commandant Ulloa, whom he

had slain, and Mr. Fisher erected to Ulloa. During the carousal the statue enters the banquet-hall, seizes

Don Juan, and disappears with him in an atmosphere of sulphur and blue flame. But the picture was not

completed. Suppose Don Juan (Seddon), the libertine and betrayer, to vanish in a cloud of blue flame,

who is to succeed him ? An Hon. MEMBER .- Chaos. Mr. FISHER .- His name may be " Chaos," but it will

not be Captain Russell, for Captain Russell is destined no more to lead a party in this House. Twice has

Captain Russell been a Minister of the Crown in this country. He was first a Minister of the Crown for six

days in the year 1884-from the 28th August to the 3rd September. He was again a Minister of the Crown

for fifteen months in the years 1889-90, his appointment as a Minister on that occasion being brought

about by an intrigue which resulted in utter disaster to that Ministry and with consequences lamentable

to its Premier, Sir Harry Atkinson. If it be thought that I speak harshly of Captain Russell, I ask the

members of his party to listen to an extract I am about to read from a leading article which appeared in

the Christchurch Press of the 8th March of the present year. The Press, it should be understood, is the authoritative exponent of Conservative opinion throughout this country, and I call particular attention to this opinion, - this strong opinion, - because, coming from such a quarter, it carries with it a peculiar value and a peculiar weight. This is the extract from the article : - "There is no organized Opposition party and there is no Opposition leader. On this latter point there is some misapprehension in the public mind - a misapprehension sedulously encouraged by Mr. Seddon for his own ends. A little explanation on the subject will there- fore not be out of place. For six years Captain Russell was the recognised leader of the Opposi- tion, and received the loyal support of his party. At the beginning of last session it was intimated to him that his services were no longer required in that capacity. The function of a leader is to lead, and in this quality Captain Russell has proved himself deficient. He has many excellent traits in his character, but they are not such as to enable him to fill the position of a political leader with advantage. The innocent way in which he 'fell in' when the net was laid for him by the 'slim' tactics of the Premier was at first amusing, but it soon became exasperating to those of his own side. If deportment could storm a political fortress or defeat a 'slim' politician, Captain Russell would have been irresistible. He reminds us of the cha- racter in melodrama who is, or used to be, known as 'the walking gentleman.' A ' walking gentleman ' has never yet been in- trusted with 'leading business' on any stage in this world. It is not to be wondered at that the Opposition, after six years' fighting, and being continually robbed of its fruits by the ineptitude of its leader, should last session have

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We say ' attempted,' because, in spite of the notorious fact that it was no longer desired, ex- cept by the Premier, that he should continue to perform in that capacity, he persisted on all or most occasions in that enterprise. There are some wiseacres who predict a ' coalition' be- tween Mr. Seddon and Captain Russell. There is to be nothing of the kind. He is of far more use to Mr. Seddon as he is-a phantom leader of an Opposition which does not exist- a bogey to frighten naughty Liberal children, and drive them into the division lobby." Now, the Opposition party being disorganized and disintegrated, as I have shown it to be, what useful purpose can be served by playing into the hands of those disjointed units, as some members of our party have done during this debate? Nothing is to be gained. We have simply been wounded in the house of our friends. Now, after the exhaustive and ex- husting financial statement of the honourable member for Nelson City, and some other finan- cial speeches to which we have listened, I pro- pose to place on record a few figures relating to the finances of the colony, but put in such a form-I say it with all submission-that the people of the colony will be well able to understand them. The honourable member for Dunedin City (Mr. Millar) stated that the public debt of the colony had been increased in ten years-that is, during the tenure of office of the present Ministry-by the sum of sixteen millions. I claim no particular merit for the compilation of my figures, because a clerk could compile them quite easily. I claim credit only for the industry and the care with which I have tabulated them. Their value is that they are thoroughly authentic and reliable, for they are taken from the Treasury tables attached to every Financial Statement for the past eighteen years. It will be understood, there- fore, that if any member of this House laughs at the figures contained in the following tables he is laughing not at me, but at the Treasury tables attached to every Financial Statement. Now, here are the figures for the nine years prior to the present Ministry taking office. As to the gross indebtedness-and surely that word " gross " covers all indebtedness Mr. MILLAR .- Give us the net. Mr. FISHER .- I will give both. The gross public debt for the nine years from the 31st March, 1882, to the 31st March, 1891, is shown as follows in the Treasury tables :-

31st March, 1882	29,946,771	..	30,351,111	1883 ..	1884	32,367,711	..	1885
33,691,022	..	1886	34,965,222	..	1887	37,558,553	1888	36,758,437
1889	38,375,050	..	1890	38,667,950	..	1891	38,832,350	..
Increase (nine years) .. 8,885,579								

VOL. CXVIII .- 7. for those nine years was increased at the rate of one million a year. Here, now, is the Treasury statement of the gross

and net public debt for the ten years of office of the present Govern- ment. I call the attention of the member for Dunedin City (Mr. Millar) to the fact that the gross and net debt are both shown, and he will see that the increase in the colonial indebted- ness for the last ten years is approximately the same as the increase for the preceding nine years-namely, one million a year :-

Year	Gross Debt	Net Debt
31st March, 1892	37,677,619	39,257,840
1893	38,144,070	39,826,415
1894	38,-74,491	1895
40,386,964	39,635,032	43,050,780
1896	42,271,889	1897
43,552,324	44,366,618	1898
44,963,424	44,081,521	46,938,006
1899	46,080,727	47,874,452
1900	46,930,076	49,591,245
48,557,751	1901	10,878,177

Increase (ten years) 10,880,132 The increase for the ten years is £10,878,177, or a little more than a million a year. Of .course, I know how useless challenges are, but I am so certain of these figures that I challenge tho honourable member, or I challenge any other honourable member in this House to prove that they are inaccurate or incorrect. An Hon. MEMBER. - You are not adding out- standing liabilities. Mr. FISHER. - How long do outstanding liabilities outstand? They must come in at some time or other, and are then included in the general colonial indebtedness. An Hon. MEMBER. - No. Mr. FISHER. - Will the outstanding liabili- ties account for the difference of six millions between your statement and mine ? An Hon. MEMBER. - Yes. Mr. FISHER. - What nonsense! Next, I have another interesting table showing the state of the Interest Account for the past twelve years :-

Year ended 31st March	Interest
1890	1,897,602
1891	1,858,252
1892	1,892,929
1893	1,821,128
1894	1,885,696
1895	1,716,889
1896	1,683,775
1897	1,700,460
1898	1,741,412
1899	1,767,467
1900	1,768,992
1901	1,745,615

Decrease (twelve years) .. 151,987 The interest-charge for the year ending the 31st March, 1900, was £1,897,602, and the interest this year with that increased indebtedness was £1,745,615 -a decrease of £151,987. I will presently show the effect of that reduction upon the revenue account.

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funds ? Mr. FISHER. - I am not dealing with sink- ing funds. There is the statement of the gross indebtedness of the colony, and there is the state of the annual interest-charge. An Hon. MEMBER. - We do not pay any sinking funds now. Mr. FISHER. - Then, there is less burden upon the revenue. Here is something for the "Palmerston corner " to laugh at. Now, what was the effect upon the revenue of the interest- charge on our colonial indebtedness when this Government took office ? The total yield from Customs revenue, property-tax, and registra- tion-fees for the year ending the 31st March, 1890, the year before this Government took office, was as follows :-

Source	Amount
Customs (including primage duty)	1,500,873
Property-tax	355,460
Registration and other fees	38,770
Total	£1,895,103

And in that year the revenue from those three great main sources was swallowed up in this way :-

Item	Amount
Interest-charge on loans	1,897,602
Customs, property-tax, and registra- tion and other fees (as above)	1,895,103
Interest-charge in excess	£2,499

Difference in favour of the interest - charge, £2,499. The position, then, was this: The Customs, property - tax, and registration - fees being absorbed, we were left with only the pro- ceeds of the beer duty, railways, stamps, and miscellaneous to carry on the public service of the country. Now, mark the contrast. The total yield from Customs revenue, land- and income-tax, and registration and other fees for the year ending the 31st March, 1901, was as follows :-

Source	Amount
Customs	2,180,861
Land- and income-tax	468,391
Registration and other fees	67,537
Total	2,716,789

Interest-charge on loans 1,745,615 Balance of revenue from these three sources in ex- cess of interest-charge .. £971,174 What a change ! That is solid prosperity. There is, instead of a deficit, a credit balance of £971,174-well towards a million of money. That is a remarkable difference in the two positions. And are not those gentlemen on the Government benches entitled to credit for this change in the state of our finances ? An Hon. MEMBER. - The interest statement is not correct. Mr. FISHER. - That cannot possibly be; but, if it is not correct, whose fault is that ? An Hon. MEMBER. - The Treasury. sible. It is absurd to challenge the Treasury figures. They are not the Government figures. My next table shows how the population has increased and how the trade of the country has expanded. The figures are as follow :-

Revenue Population. Receipts. 1890 625,508 3,994,504 . 1891 634,058 4,078,784 . 1892 650,433 4,219,535 .. 1893 672,265 4,368,537 1894 686,128 4,399,795 .. 1895 698,706 4,544,151 1896 714,162 4,796,098 .. 1897 729,056 4,987,629 1898 5,186,428 743,463 .. 1899 756,505 5,699,618 1900-1901 772,719 5,906,916 .. Increase (ten years) 147,211 1,912,412 These figures may be viewed with satisfaction ; but the next table, I confess, I regard with a feeling of alarm. It is the table which shows the increases in the annual appropriations, which, as I have often called it, is " the wages- sheet of the country." It shows in reality the cost of governing the country. These are the figures for the past twelve years :- Year 1889-90 4,278,852 .. 1890-91 4,241,182 .. . 1891-92 4,337,706 .. 1892-93 4,344,437* .. . 1893-94 4,460,547 .. 1894-95 4,350,200 .. - 1895-96 4,362,862 .. 1896-97 4,532,179 .. 4,669,074 1897-98 .. 1898-99 4,849,830 ... 1899-1900 5,059,729 ... 1900-1901 5,573,294 ... 1901-1902 5,763,814 ... Increase (twelve years) .. £1,484,962 Land Fund amalgamated. These figures show that the cost of governing the country has increased at the rate of £120,000 a year for the past twelve years, and I take leave to consider that an alarming increase. This table arrests my attention more than any other, because while it is, no doubt, gratifying to see that the population has increased, al- though not so rapidly as the Colonial Treasurer desires, that the revenue receipts are expand- ing year after year, it is the reverse of satisfac- tory to find the cost of the Civil government increasing at the rate of £120,000 a year. It ought to be remembered that we have a Civil organization equal to the requirements of a population of two millions of people, and no effort appears to be made to restrain the demands for public expenditure in this direc- tion. So far from any effort being made to restrain this class of expenditure, we have, as the honourable member for Wairarapa, Mr. Hornsby, pointed out, increases in salaries proposed in the estimates for the year amount-

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ing to over £45,000. The following are the | to protect every labour interest, and the Go- increases proposed : Legislative Department, £808 ; Registrar-General's Office, £145; Govern- ment Printing Office, £50; Industries and Com- merce, £858 ; the Sanatoria, £340; the Trea- sury, \$371; Taxation and Patents, £213; Jus- tice Department. £1,703; Native Land Court, £310; Prisons Department, £475; Customs Department, ■1.725; Marine Department, £961 ; Stamp Department, £190; Lands Registry, £304 ; Education, £1,584 ; Lunatic Asylums, £1,898; Labour Department, \$195; Mines Department, £377; Agricultural Department, £8,340 ; Defence Office, £17,517; Lands and Survey, £3,367; Valuation Department, £819; Public Trust Office, \$537; Government Insur- ance, £2,114: total, £45,101. Some of these increases may be automatic-they may be in accordance with the Classification Acts appli- cable to several of the departments-but there can be no justification for a large number of these increases. Now, having contributed my share to the discussion of the Financial Statement, I wish now to call attention to the labour legisla- tion of the Government. At the outset I wish to say that I think the Government ought not to make the labour legislation more stringent than it is at present. All that is now required is that the existing Acts should be perfected where they are found to be defective, and that where experience has proved them to be in any degree oppressive the machinery of the Acts should be simplified and eased. The Govern- ment, in their own interest, should take care that a revulsion of feeling does not set in through a too stringent administration of the labour laws. The Government are deserving of 32106019788253 the greatest credit for the labour legislation they have already passed, but I take leave to say that it was inopportune and ill-advised to introduce the Factories Bill this session. The Government would have better consulted the interests of the working-classes and the em- ployers if they had refrained from creating the feeling of irritation which we know exists at the present time, and which is being intensified day by day. Mr. PIRANI .- What party are you qualify- ing for ? Mr. FISHER .- This party-the Government party. I have been a loyal and consistent sup- porter of this Government for the whole ten years they have been in office. An Hon. MEMBER .- Ten years ? Mr. FISHER. - Yes. An Hon. MEMBER

.- What about 1893? Mr. FISHER .- Well, what about 1893? If I did not support this party, did I support the Opposition party ? An Hon. MEMBER .- No ; you were a party of your own. Mr. FISHER .- That is true as to 1893. I was for a time a party of my own, but I need not go into that subject now. I say it is unwise of the Government to add to the discontent which is arising throughout the whole of New Zealand at the present time. The labour interests are well guarded by existing legislation. There is enough legislation on the statute-book vernment will be consulting all classes of the community. they will be consulting the interests and feelings of the employers on the one hand and the workers on the other, if they will stay their hand for a time until the conditions of labour settle down again to something like a feeling of content. It is unwise to create a feeling of irritation between the employers and the employed, and, as a loyal and consistent supporter, I advise them not to make the conditions of existence too stringent, as between the two parties. Now, as to the member for Ashley. He spoke in strong commendation of the administration of the Minister for Railways. We are all prepared to do that. There has not during the whole debate been urged one word of complaint against the Minister for Railways and his administration ; but, while the honourable member spoke in such complimentary terms in regard to one department, he ought not to have indulged in such wholesale condemnation of the Government in other respects. You cannot approbate and reprobate. He ought to remember that nothing is perfect. No man is perfect ; no section of men is perfect ; and, while there may be matters of administration with which he may reasonably find fault, he ought to remember the many eulogiums which he has passed upon the Government in days gone by for their admirable administration. He was one of the strongest supporters of the Government, and, if put to the test, I believe he would support them to-day on any crucial question. I go further, and say that if any crucial question arose which imperilled the existence of the Government the honourable gentleman would have to support them at the demand of his constituents. And that is why I complain. I care not who may be affected by my remarks. I have for years complained of the conduct of gentlemen who succeed in gaining seats in this House by votes of the Liberal and labour party in the country, and who then turn upon the Government, which is endeavouring to give effect to the desires of those very classes. That is not fair; it is not honest, it is not honourable. Sir, I take it as a good omen that the Government themselves have intimated their intention to modify their expenditure, and not to carry on at such a lavish rate as has been indulged in for some time past-that it will set its house in order financially, so as to meet the wishes of the people of the country. I wish now to say a few words in regard to the Commissions that have been set up during the year. The honourable member for Dunedin City (Mr. Millar) criticized one Commission, the Coal Commission. I, on the other hand, am more inclined to criticize the Federation Commission, of which he was a member ; and, particularly, I want to know why the Midland Railway Commission was set up. I know the Public Accounts Committee of last session recommended that course, but, in the face of the strong and convincing opinion given by Mr. H. D. Bell before that Committee last year, I cannot for the life of me understand why it was deemed necessary

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to set up a costly Commission to travel all over the country. So in the case of the Federation Commission. The Premier having visited the greater part of Australia in January and February last, and having publicly expressed himself on so many occasions as opposed to the federation of New Zealand with the Commonwealth of Australia, what need was there, what justification was there, for appointing a Commission to investigate a question which he and the Government had already determined upon. Does any one believe that any opinion of a Commission would have been allowed to override the opinion the Premier had already formed ? It was not at all likely, and therefore an expenditure of £5,000 was incurred for absolutely no purpose, no reason whatever. If the opinion of the people of this country is so strong in opposition to federation, why incur an expenditure of £5,000 to ascertain what was already known ? It was an absolute waste of money. I need not express any opinion on the subject to-night, but I shall ask

the Government on a future day whether it is their intention to allow the House to discuss that report and the whole subject of federation. Otherwise what is the use of the report ? I will also ask the Government whether it is intended to give the House an opportunity of discussing the report of the Midland Railway Commission. These are two matters in which I feel a deep interest, because they are matters which largely affect the financial and other interests of this country. With regard to the School Teachers Commission, I do not so much object to that, although I do think, as I have frequently said in this House when speaking on the subject of education, that if the Education Department itself were efficiently administered there would not have been any necessity for the setting-up of that Commission. I do not say whether I agree or disagree with the views of the honourable member for Ashley; but I may say that, from what I heard of his expressions in regard to the subject-matter of the Commission this afternoon, I dissent from those views. I agree very largely, if not entirely, with the views of the honourable member for Wallace, who, I think, with all due deference to the honourable member for Ashley, is much more qualified to speak upon that subject. Sir, I have said all I wish to say upon the subject of the Financial Statement. It is gratifying to me, as it must be to every member of the House, to find that the Government have fully realised the financial position of the country. They have been forcibly reminded of what that position is by four members of their own party, who have told them in unmistakable terms what their views of the Budget are. The Government will do well to take heed. The views of those honourable members were decidedly unpalatable, but it has to be remembered that they have the interests of their constituents to study. We cannot believe that in every case those disaffected members are expressing merely their personal or prejudiced ideas. I give them credit for broader and Mr. Fisher more generous views; and I therefore hope they will not be regarded, or regard themselves, as alienated in feeling from the Government or from the Government party. So also do I trust that no member of the Government or of the party will entertain any such idea. I think the Government are entitled to great credit for having recognised the position as it stands. It is better for them to have taken the stand they have now taken than to have run headlong into difficulty from which it would have been impossible for them to retrace their steps. I hope the Government have a long and prosperous career before them. Their legislation has been beneficial to every class in the country. Their land-settlement policy, their Advances to Settlers Act, their labour legislation, their old-age pensions have all proved of immense benefit to the country ; but the time has come when they should hold their hand in the interests of that class of people whose claims to consideration are as great as those who have been specially guarded by special legislation. I hope the Government will perfect their laws-particularly their labour laws - so that they will not be oppressive to any class of, the community. They have gone far enough in this direction for the present, and it would be unwise to destroy, even in the smallest degree, the good they have already done. I thank the House for the patient attention it has given to my speech. I have spoken throughout as a true friend and well-wisher of the Government, and not as the "candid " friend. As a loyal and consistent supporter who has stood by the Government for a long series of years, I may claim to offer these suggestions and advice; but I wish it to be clearly understood that those suggestions and that advice are offered in the most loyal and generous spirit. Mr. McGOWAN (Minister of Justice). - Allow me to pay the highest compliment I can to the honourable gentleman who has just sat down. He is extremely clever when he wishes to pay a compliment, and equally clever when he wishes to cast a reflection. As a member of this Government, I at once say that I lay no claim to any transcendent financial ability ; I am perfectly conscious of my own shortcomings in that respect. But I do lay claim to the desire to do that which is right without fear or favour of any individual or number of individuals. And if I thought I did not hold the confidence of the majority of the members of the party to which I belong I should have no desire to occupy a position on these benches. This debate so far as it has gone is singular. For the last two years the so-called financial debate has ended very abruptly. On this occasion, as has been very well described by the honourable

member for Napier, through the tactics of the honourable member for Hawke's Bay and the honourable member for Bruce a certain number of members were "drawn," as he termed it, and they expressed themselves to the infinite pleasure, I have no doubt, of the members of the Opposition. An Hon. MEMBER .-- And the Government. Mr. McGOWAN .- Yes, and to the infinite

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pleasure of the Government ; because I personally have no great admiration for what I may term a lukewarm supporter. I believe in being either one thing or the other-in being either for or against the Government. If the Government are doing wrong, then say so; and if there is sufficient reason and proof to show that their actions are wrong and cannot be supported by the party, then let them not occupy a position on the Ministerial benches. But if they are not doing wrong, then I say this action is not to the credit of the gentlemen who have been elected on certain lines, and who in their election speeches distinctly and clearly laid it down that they stood as supporters, and if elected would be supporters, of the Ministry that at present occupy these benches. Mr. G. W. RUSSELL .- The Government have departed in every respect from their old principles, and on which we were elected to support them. Mr. McGOWAN .- At any rate, that is an admission that the Government have some principles; but there are some men in this House who have no principle, and never had any. The principle which they seem to think is a principle is that which is most expedient for the time being. There are, Sir, in this House at the present moment, I have no hesitation in saying, a number of disappointed men, and I sympathize with these men ; but I say, with the sympathy I am willing to give them, that to a certain extent they deserve their fate. It is their own fault. Inconsistency will have its reward, and consistency will come to the front. An Hon. MEMBER .- What does that mean ? Mr. McGOWAN .- The honourable member ought to know what it means after all this time ; but, if he does not know, I have no doubt a few years more will teach him that experience. However, as the speeches that have been delivered have mostly had reference to the financial condition of the colony, and as I do not pose as a financier, I think it would be much better if I left that matter alone, and allow the Colonial Treasurer to reply to the different arguments that have been put forward as opposed to the Financial Statement, and which I have no doubt he will be perfectly able to do. But there have been some other matters mentioned during the debate, and in reference to them I have a few remarks to make, and I would like to say a word or two first on behalf of the departments that I have the honour to administer. I do so for several reasons, one of them being that sufficient interest has not been taken in regard to the mining industry of the colony by the whole of the members of the House, I believe mainly because they do not know the important position that this particular industry holds in the colony. We had, as we know, a Coal Commission, that was referred to by the honourable member for Dunedin City (Mr. Millar), who read some extracts from the report. I will deal with his remarks by-and-by : but in the meantime I wish to say the Government have been blamed for setting up this Commission. Now, let me say that Commission was not set up by the Government at all ; it was set up by this House, on the recommendation of the Goldfields and Mines Committee. My own opinion when that Commission was set up was that there was no necessity for it, and that the result of the whole Commission would not be worth the cost ; and that is my opinion now. With regard to other Commissions that have been referred to, the Rivers Commission is of two years' standing. It was not set up last year, but, two years ago. Now, this by way of introduction. What I want to draw the attention of this House to, and the attention of the country as well, is to what mining has done for the colony, and the amount of wealth it has produced for the colony. I will not weary the House with a great number of figures, but it will be necessary that I should use a few; I promise, however, that I will not weary the House with figures of no importance. I will deal more immediately with the gold-production ; I am not taking in so much the production of iron and other minerals, such as kauri-gum, which is generally included in the mineral returns. But, while on this subject, I might say that the total production of all minerals in the colony since we have kept any account of them

has been £18,383,945. This amount includes kauri-gum. Gold and silver production amounts to £57,721,648. What does that mean ? It means that during a period of some forty-seven years this industry has added to the wealth of the colony an average of £1,228,120 per annum ; and if we take into account all the minerals, including kauri-gum, we would have for the same period nearly 8 million and three-quarters of wealth which has been produced in the colony from these sources. Quartz-mining in the North Island produced for the year ending the 31st December, 1900, a sum of \$635,053; the west coast of the South Island, £106,807 ; and Otago, £16,947: or a total of \$758,807. During the nine months ended the 31st December, 1900, a sum of nearly \$400,000 was received from the dredging industry in Otago and Southland-so far, at all. events, as we can judge by the return of gold purchased by the banks in that district. I. have not the figures for recent West Coast returns, but I understand they are satisfactory .. In regard to the dredging branch of the industry, which is a most important, and at the same time a permanent one so far as the Otago. and West Coast gold areas are concerned, I. wish to say in all probability companies will be. formed that will be unsuccessful. Some companies even from their inception could not be otherwise. We have had instances of the kind in the dredging industry. However, the public would not be warned with reference to these companies. When the boom was at its height they were told clearly what the result would be. We now have the result in some of the dredging companies being in liquidation. Some two hundred and forty dredges have been built in Otago, and some sixty-five on the West Coast, and, allowing the low value of.

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£6,000 to each dredge, we find there is a total capital of £1,830,000 invested in the dredges alone. In regard to the production of gold, the yield for the year 1899 was the highest during the previous twenty-six years. In 1900 there was a slight falling-off, but in the first six months of 1901 the production was such that the year promises to be the best year "for the production of gold in the last twenty-eight years. This is very encouraging indeed. 'The amount of gold produced in the colony in the first six months of the present year was valued at £844,886. Last year the total production was valued at £694,859, which shows an increase over the same period of 1900 of £150,027. Now, to show the production of gold in a more detailed form I will state the output of one or two mines. In the North Island the leading mine is the Waihi. Most people are acquainted with it ; it is an historical mine. Between 1890 and 1901 this mine has produced gold to the value of £1,710,075; the dividends paid to the shareholders amount to £708,500, and it is now paying at the rate of £160,000 per annum, or 10s. per share on the capital. Another important property is the Waitekauri Mine. The total value of the bullion produced from that mine up to the 31st March, 1901, was £314,437, and the dividends paid amount to £85,000. Then, there are the New Zealand Crown Mine, at Karangahake, and the Talisman Mine, which have produced bullion to the extent of £354,336 and £110,000 respectively. The Hauraki Mine, Coromandel, has paid \$144,000 in dividends on a capital of £40,000; and, when any one says that gold-mining does not pay, there is an answer. Mr. MONK .- Give us the losses. Mr. McGOWAN .- I am afraid from that question the honourable gentleman has an impression in his mind that a great many people have, and that impression is that the gold costs very much more than it is worth. That is a matter I have discussed before, and I wish to inform the honourable gentleman that such is not the fact, and I defy any one to prove it is a fact. There is an altogether false impression regarding the cost of production. If honourable members will take only the cost of the work required to obtain the gold actually obtained they will never fall into the mistake of saying that gold costs more to produce than it is worth. The difficulty is in separating what is termed the speculative from the productive element in gold-mining. For instance, thousands of pounds have been lost recently in the dredging industry ; many companies are in liquidation. Mr. R. THOMPSON .- A million of money, I hear. Mr. McGOWAN .- Very likely ; but the fact remains that when people go in for buying shares they imagine that they have spent so much money in mining or in the production of gold, when, as

a matter of fact, they have spent no money at all in the production of gold. And in many cases that is where the money is lost. To ascertain the bed-rock position-to us, an old miner's expression-to find out the actual Mr. McGowan cost of the production of gold, you must take the actual amount of money expended or wealth consumed in actual working. It is not the money spent by Mr. Jones, Mr. Smith, or somebody else in the purchase of shares. You must consider the question from the State point of view in discussing the industry of a country, not from the point of view of the individual. If I have a mine I may be paying £100 a week to men for working that mine, and the amount I may be producing from that mine may not return me more than \$50 per week, and under those conditions I am losing a certain sum of money more than I am gaining ; but I say, looking at this question from an industrial point of view, the State is an actual gainer, because the money I pay away in wages is not lost to the State as money thrown away in other directions would be. The money is paid away in wages, and is used for clothing, food, and so on, and distributed throughout the whole country. An Hon. MEMBER .- That is funny logic. Mr. McGOWAN .- It is logic you will not be able to upset. Now, in regard to some of the other mines in the South Island, there are several mines, for instance, in the Inangahua district which also produce a large quantity of gold. I will give one or two instances. In the Progress Mine, for instance, the output has been at the rate of between £80,000 and \$90,000 per annum. And the Wealth of Nations and Golden Fleece are also what I might call good gold-producers for that district. Now, with regard to dredges, the dredging industry is comparatively a new one, and the result has been what was anticipated by those who knew the different districts. Results have not, in some respects, come up to the expectations of those who engaged in the venture; but they have come fully up to the expectations of those who have had experience in this matter, and who knew what to expect. I might say that the dredging industry has come up fully to my expectations-and, indeed, more than I expected it would do when I went over the district some two years ago. The number of dredges that were working in Otago and Southland on the 31st March, 1900, was seventy-nine, and at same period of present year 125, showing an increase of forty-six; while on the latter date 101 dredges were being built, and fourteen lying idle or being removed. On the West Coast twenty dredges were working, eight were lying idle, and thirty-seven were under construction, tendered for, or ordered. The total number of dredges in the colony already at work or under construction, et cetera, is 305. Thus, taking the figures I have stated, over a million and three-quarters of money has been invested in dredges alone. Now we come to another important branch of mining, and that is the coal-mining industry, and this brings me to a subject upon which I wish to say a word or two. The coal question has agitated the mind of the public for some considerable time. Let me tell the House and the country that during the last year, although there has been an increase

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in the price of coal per ton to the consumer, more coal has been produced in the colony than in any previous year. And the increased price has not been owing to the want of production, nor has it gone to the miners engaged in winning the coal. As I have said, more coal was produced last year than in any other year in the history of the colony. I may be met by the statement that there was a larger export last year, but I may say that that larger export does not account for the difference I have stated. I will give the House the exact figures. The output of coal for 1900 was 1,093,990 tons, or 118,756 tons more than was produced in 1899. The quantity of coal exported in 1900 was 114,358 tons, as compared with 89,480 for the previous year, showing an increase of 24,878 tons. In spite of the increased export, we find that there were 93,878 more tons for home consumption than during the preceding year. I think that is a sufficient argument to prove that the additional cost of the coal has not gone to the coal-miners. Debate interrupted. The House adjourned at half-past ten o'clock .p.m. HOUSE OF REPRESENTATIVES. Tuesday, 3rd September, 1901. First Reading - Financial Statement. Mr. DEPUTY-SPEAKER took the chair at half-past ten o'clock. PRAYERS. FIRST READING. Wesleyan Church Reserve Vesting Bill (No. 2). FINANCIAL

STATEMENT. INTERRUPTED DEBATE. Mr. McGOWAN (Minister of Mines) .- Sir, when the House adjourned on Friday evening I had come pretty well to the conclusion of my remarks in regard to mining. I had pointed out that, notwithstanding the increased export of coal, there was 93,878 tons more for home consumption than there had been for the pre- ceding year; and I also drew attention to the fact that with this increased consumption there was an increase in prices to the public, and that it appeared to me that the miner proper derived no benefit therefrom, but that it must have gone into the hands of the mine-owners or the middlemen. Now, if 1s. per ton be added to the cost of the coal produced during the year 1900, it would mean an increase in the amount received by these people of over 50,000. Cer- tamly it did not go into the pockets of the miners. But before concluding my remarks under this head I would like to show the im- portance of mining generally-both coal- and gold-mining-with regard to the employment of labour, as exemplified by the following figures : In quartz-mining there were, on the 31st December, 1900, 4,267 men employed; and in the previous year 4,663. In allu- vial, hydraulic, and other mining, in 1889, 8,628; and in 1900, 9,235. In coal-mining, 1899, 2,153 ; 1900, 2,460: or a total of 15,962 persons engaged in this industry-showing an increase of 518 persons engaged in the industry for the year 1900 as compared with 1899. Now, if we assume-and it is fair to assume-that a number of these people have families, it is a very important matter in the interests of the colony that so many people are engaged in industries of this character. I would like before leaving the mining industry to refer for a minute to some remarks of my honourable friend the member for Auckland City (Mr. Witheford). He is deeply imbued with the immense wealth that is in the Coromandel Peninsula, and he has repeatedly requested the Minister of Mines to endeavour to unearth this immense wealth ; he said that if we did the colony would never require to go to the foreign money-market in order to obtain money to carry on public works and other works of a necessary and permanent character. Now, that honour- able gentleman has some experience in this matter, and he speaks with some knowledge. He has, I believe-and to his credit be it said- been the means. of introducing a considerable amount of capital for the development of that district, and I wish to say that I shall be very happy to give the honourable gentleman every facility that the law will allow, in order that he shall have an opportunity of helping to unearth this wealth; so that not only he himself may be benefited, but also the community and the colony generally. In regard to our mining laws generally, I am not going to take up the time of the House in dilating upon them, but I wish to say-and I think it is only fair and reason- able that we should have the credit-I wish to say this : that so far as I can learn the mining laws of New Zealand are the most favourable for both capitalists and miners of any mining laws in the world. So much so that we are having requests, not only from some of the old countries that may not be so immediately con- cerned in mining, but also from America and other mining countries, for copies of our mining laws and regulations connected with mining. And that, to my mind, is proof that, at any rate, our laws are as fair as time and circum- stances allow us to make them As time goes on, new conditions arise ; and it is for this House, on the recommendation of the Mines Committee, to endeavour to adapt itself to new conditions and pass laws suitable to the new conditions. That has been instanced during the last few years by the new conditions in re- gard to mining that have been introduced ; and, so far as the Government is concerned, it has always been anxious to endeavour to make laws suitable for all parties. While on this point I wish to say a word with regard to labour generally. It is a matter for congratula- tion that the country is progressive, and that the people in the country are employed; and I think that during the period the present -

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Government has held sway there have been less unemployed than during any other period in the history of the colony. That the condition of those willing to work has been improved is shown by the following figures: In 1895 the number of hands employed in factories was 29,879; in 1896 there was an increase; in 1897, 1898, and 1899 there were increases ; and on the 31st March last the number was 55,000, or

nearly double that of 1895. I think that figures of this kind must speak volumes for the prosperity of the country ; because if the people are employed the assumption is that the employment is remunerative, and, if remunerative, the masses of the people must be in the position to be, at any rate, comparatively freed from what might be termed the necessities of poverty. The Government has also assisted the public, and in this case to a very considerable degree, by furthering the shipment of produce. I will not take up the time of the House by quoting many figures, but will confine myself to those of 1901. In that year there was a total increase of £264,831 in the export of butter, cheese, frozen beef, and lamb. That is a considerable amount, and has contributed to the prosperity of the colony. I find that during last year there was a decrease in the export of mutton, but the total increase for the year amounts to £181,331. At the end of the year the value of these products exported from New Zealand was £3,116,544. That added to the other productive wealth of the colony is material, and must have a beneficial effect upon the whole community. I wish now to refer to a matter mentioned by the honourable member for Dunedin City (Mr. Millar). In the course of his remarks he said-I think these are his words : "I think, with hardly one exception, there is hardly a mine reported on as being absolutely in the condition they ought to be." That was the honourable member's statement when referring to the report of the Coal-mines Commission. In reply to the statement that there was hardly a mine in the condition it ought to be in, I would like to say that I went through the report carefully. The position is this: The Commission reported on seventeen mines, out of which only three were adversely criticized, the three being Taupiri, Kaitangata and Castle Hill, and Allandale. In regard to the honourable gentleman's statement as to the necessity for economy, and that he himself, while taking his fair share of the burden of the liability, owing to the laws we had passed, by which the expenditure out of the Consolidated Fund had increased so much, issued, as he said, a warning note. This warning note has been issued several times. It has been issued on the platform, and I remember telling my constituents that if they desired to have roads and bridges out of the consolidated revenues, these works could not be carried on, but that it would be necessary to borrow or raise money for this purpose so long as the people of the colony considered that roads, bridges, and railways should be constructed. I believe that is self-evident. It is not Mr. McGowan possible to carry on public works, and even if possible it is not fair in principle that public works should be carried on, out of consolidated revenue. Public works are for the benefit of the colony not only now but hereafter, and it is only fair and reasonable that these charges should be made on those who come after us, and not only on this generation. Nor is it right that it should come out of the pockets of the workers-of those who contribute to the Customs. Reverting to the honourable member's remarks in connection with the Coal Commission, I would like to put the matter on a proper footing. And here let me say that the fact of the Kaitangata Mine being in a rather unsatisfactory condition arose from this fact : A certain company purchased that mine some time ago, and statements that have been made are to the effect that to some extent they had been misled as to the position of this mine-that the previous owners had not worked the mine to advantage so far as the purchaser was concerned, but to their own advantage, knowing that they had made an arrangement for the sale of the property ; and when the representative of the new company arrived at the mine and made an examination he found that the quantity of coal in sight was not as represented by the old company. The result was that he had to do a great deal of prospecting to prove that the mine was of some value to the owners. Now, with regard to this particular portion of the mine, here is what the report of the Commission says on page 18 :- "The condition of the workings at the time of our visit in March last was not altogether satisfactory, but so much good work has been done by the present manager, Mr. Broome, that we believe that ere long the mine will be in a proper condition. The ventilation is the chief deficiency at present, and either the connection with the Castle Hill Mine or an upcast shaft must be made. The connection was begun under the former manager, Mr. Straw, and completion was promised in April, 1900 ; but it was never finished, and Mr. Broome preferred to put in a

shaft, but so far that has not been done. The shaft is, in our opinion, preferable, as it would give air by the shortest way." Now, with regard to the Castle Hill portion of the property, the report says,- "The Castle Hill portion of the Kaitangata Mine we also thoroughly examined, and are able to report much more favourably on. The work has been well laid off, the ventilation and roads are good, the surface-works in excellent order. The conditions of labour and the quality of coal are the same as at Kaitangata Mine. The same danger exists here as in the latter mine from fires. At the time of our visit a fire was burning fiercely on the outcrop on the farther side of the hill in which the workings lie." Now, here is just where some of the mistakes are made. Members of a Commission go and see fire in a mine, and they speak of this without knowledge of the facts. What are called "fiery mines" are considered dangerous ; they

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disastrous that the mine may not be profitably worked. Mines known to be fiery mines are often worked, and more so in the Old Country than here. The law in regard to fires in coal-mines is more in the interests of the workmen in New Zealand than in the Old Country. Now let me give the report of the Inspecting Engineer in regard to this fire. He says,- " This [fire] was at a small disused mine of very small area at the highest point of the Castle Hill property, adjoining the new Coast Road, and of no importance whatever." I do not want to take up the time of the House by reading a number of letters from miners of twelve or thirteen years' experience condemning the report after having seen the matter as printed. Now let me say a word in regard to the Allendale Mine, which has also been adversely reported upon. The Inspecting Engineer states :- "The Inspector reports considerable improvement in its condition, that the mine is a small one, and labours under many disadvantages -- e.g., faults, bad roof, &c. I always found the management careful and solicitous for the safety of employ  s." Now, let me read the report of the Inspector of Mines on this very mine. He reports as follows, in reply to a memorandum from myself. Seeing the report in the papers of the very dangerous state in which the mine was said to be, I at once issued instructions that he should be asked for an explanation. Here is his reply :- " I beg to say that the condition of the mine, as described in my report of the 29th March, was very different to what it was on the occasion of my previous visit on the 21st November, 1900. On this date (21st November, 1900) there was no indication of the creep setting in ; the airway was standing, in good order but low, the seam there being only about 5 ft. thick ; and I also noticed that there was a good circulation of air throughout the working-places. The mine, with the exception of certain roadways, which were wet and dirty, was in good working-order, and, seeing that the management were busy renewing timber and heightening the main roadway from the foot of the engine plane to the bottom of the main jig, with a view to making it a horseway, and thus cutting off a considerable length of hand-drawing, I anticipated that the conditions of working would be very much improved. " On the 21st March, when I next visited the mine, I found that, owing to the creep, my anticipations of an improved condition of matters had not been realised. I notified the proprietors to put on a double shift of men to lift and stow bottom in airway, to renew timber where necessary, and also to provide an adequate amount of ventilation in the pillar workings, No. 2 North Level, also in the new workings, No. 3 seam (vide report, 29th March). On the 16th April I again visited the mine, and found that my instructions had been carried out, with the result that there was a marked improvement in the condition of the mine (vide report, 17th April)." "I intend to keep this mine under close supervision until the area affected returns to a normal state." Now, those are conditions that often happen in regard to coal-mining, and those who are acquainted with the district and the mine say that there is no particular danger. It is a "creep " - one of those things which might happen when certain portions of the coal are taken out; and, although there is a danger, if it is left alone there is no great fear that loss of life may arise. Now, in this connection I should like to say, in regard to the report of the Commissioners, that the recommendation they have made - that a Chief Inspector should be appointed to whom all these matters should be referred without the necessity of his reporting to the Minister-is to a

certain extent mis- leading. That statement was evidently made under a misunderstanding, because the Mining Inspector has authority as a statutory officer to take action without reference to me, if the mine is not in proper order. When that is the case it is his duty to report to me, as the Minister, what he has done; but there is no necessity when anything is wrong for him to report to the Minister and ask for instructions as to what he should do. His instructions are laid down in the Act; he is, as I have already said, a statutory officer, and has absolute power to act without reference to any one. Mr. R. MCKENZIE .- The Chief Inspector (Mr. Hayes) said he has no control. Mr. McGOWAN .- I am not talking about the Chief Inspector. I am talking about the Inspector of Mines. There is no Chief Inspector. The Inspecting Engineer is the gentleman to whom you refer. We have no Chief Inspector. The Inspecting Engineer has no power under the Act at all. He is an officer of the department, and has to report on all matters in regard to mining and in regard to the public expenditure. He has to report whether that expenditure is in accordance with the vote and the direction of this House. The Mining Inspector is appointed under the Act. He is a statutory officer, and he has the actual power to do all that is necessary for the safety of life and the proper working of the mine-a power that the Inspecting Engineer has not. I quite admit that. Now, I think I have dealt sufficiently with that matter, and I need not say anything further regarding it than this: The member for Dunedin City (Mr. Millar) when he is blaming the Government for the increase in the consolidated expenditure, should bear in mind what he has recommended to me as Minister of Mines-namely, that there ought to be £2,000 additional put on the estimates for the appointment of extra Inspectors of Mines- An Hon. MEMBER .- Quite right, too. Mr. McGOWAN .- And in the same breath the honourable gentleman is blaming us for the great expenditure under the Consolidated Fund. Now, it is not logical on the honourable gentleman's part on the one hand to say that we are unduly increasing the expenditure of the colony,

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£2,000 should be put on the estimates for additional Inspectors of Mines. An Hon. MEMBER .- You can take it off some other vote. Mr. McGOWAN .- That sort of argument will not do to get out of the hole you have been put in, I am afraid. I intend now, just for a few minutes, to deal with the consolidated expenditure, so far as the departments I have control of are affected. Other Ministers can deal with their own departments. I do not intend to take up the time of the House one minute more than is necessary. Now, I quite admit, taking first of all the Justice Department, that there is an increase in the expenditure, and it must increase. We cannot help it, because the population is increasing. Taking the amount required for the head office in 1890-91 as compared with the present time, the expenditure for that year was £1,249, while in 1901-2 there is \$2,254, showing an increase of £1,005. Now, the cause of that increase is this: The Native Office as a distinct office has been wiped out, and the officers belonging to that department have been added to the Justice Department. The result is that this increase of £1,005 is accounted for at once, for it is represented by the salaries of the officers who have been taken over. Now, if we take the Crown Law Office, the amount set down for 1890-91 was £2,160, and for 1901-2 £2,500, being an increase of £340. This additional expenditure is accounted for by the fact that a cadet has lately been added to the staff, and that the salary of the Law Draftsman was increased some two years ago. If we take the Supreme Court, you will find the amount in 1890-91 was £9,016, while in 1901-2 it is £6,645, showing a very considerable reduction. Then, again, if we take Bankruptcy, and here is a point I wish to emphasize: In 1890-91 the amount set down under the head of "Bankruptcy" was £6,731, while for 1901-2 it is £3,987, showing a saving of £2,744. Now, that is a very important matter, and is accounted for by the increased prosperity of the people during the past year as compared with 1890-91 when a Conservative Government was in power. These are facts that cannot be disputed. Mr. MASSEY .- You tell it very well. Mr. McGOWAN .- The honourable gentleman says that I tell it very well. At any rate, I merely tell the House what is the fact. You may take the figures and turn them which way you please, but there is

no getting over the fact I have just stated. During that year the expenditure of that department was the amount I have stated, and during 1901-2 there is a saving of £2,744, and I think we ought to be congratulated upon that head, at any rate. Now, then, again we come to District, Magistrates', and Wardens' Courts, which are the Courts of the people at large. Under this head there has been an increase, and one need not wonder at this, for, in addition to increased work in other directions, there has been a vast expansion of the mining industry. In that connection I would like to say to the honourable member for Mr. McGowan posed to make a reduction in the salary of the Stipendiary Magistrate in Dunedin, I wonder how he would like it. I suppose the honourable gentleman, like a great many other honourable members, would say, "Make reductions anywhere else, but not where I am concerned." They are quite willing to reduce "the other fellow," but not the people they are themselves interested in. It is an easy thing to make a general statement about the necessity for reductions, but it is different when you come to work it out. We have members appealing to the House and showing the necessity for this or the other gentleman being better paid-and I admit, myself, the Resident Magistrates and Wardens are entitled to a higher salary if the House is prepared to grant it. These Courts, as I have said, are the Courts of the people, and they are often more important to the people in general than the Supreme Court of the colony. The Supreme Court, of course, is the high Court of the colony, but the Magistrates' Courts are the Courts to which the grievances of the people at large are brought for redress. I need not go over the whole of the other heads. In regard to criminal prosecutions, I may say it is a branch of the department you cannot put down for any specified sum, because one year it may be more and another year it may be less. There can be no stated sum, as the amount required depends entirely on the crime that has taken place during the year. Now, with regard to the vote for Coroners-inquests and salaries-there is an increase of £1,580 compared with 1900-91, but this is accounted for by the passing of the Payment of Jurors Act and by the increase in the number of inquests consequent on the increase in population. Now, Sir, I think the Justice Department can be charged in no way with extravagant expenditure, and I am giving the House these particulars in order to prove that there is no justification for charging that particular department with extravagance in any direction. Further, in regard to the increases, I would like to say that where they have taken place they have been mostly on salaries below £300. That is another fact I want to emphasize. Most people think that we are going on increasing the salaries of those who have already pretty good incomes, but the position as regards that department is the reverse. It is the lower paid salaries that have been increased, and I think the Government are to be commended on that point. I have a statement here giving the whole of the particulars, and I am quite certain that were I to read it it would astonish the House to see the number of those receiving small salaries who have received an increase as compared with the number of those more highly paid who have been similarly treated. I will come now to the Mines Department, and I will deal with it shortly in the same direction. Taking the expenditure of the Mines Department for 1890-91 as compared with 1901-2, there is a considerable increase, amounting to £4,170. Now, I may be asked how has this great

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increase been incurred? It is very easily explained. It arises from the fact that during the year 1890-91 the Under-Secretary's salary was charged against the Lands Department, and not as now against the Mines Department. Now, the other increase in that department arises from the fact that at that time we had only three Inspectors of Mines. Now we have six Inspectors of Mines, and we have additional salaried officers working for that department whose salaries were not charged against the department at the period I have mentioned. I may say that none of them are too highly paid-in fact, most of them, in my opinion, are underpaid. The same remarks apply also in regard to the Geological and Mineralogical Department, in which there has been a large saving from 1890-91 as compared with 1901-2 because of the abolition of that department as a separate office, the Geologist, Analyst, and others being brought

under the Mines Department. This alteration, of course, contributed to the additional expenditure under the Mines vote. Now, in regard to the miscellaneous amounts, these vary, and must always vary, because there are charges which do not crop up every year. For instance, there is the cost of the Coal-mines and Rivers Commissions for one thing, and the examinations in London for another; and these are non-recurring votes. I think, therefore, I have fully explained the whole of the expenditure from the Consolidated Fund in regard to the Mines Department. Now, I would like, as the bell has rung, to say a word or two on something that is rather important in regard to the Police Department. I will not take up the time of the House, but I wish to say that I can account for every increase that is shown on the estimates. I also wish to say that in New Zealand the cost of the police is the lowest in the whole of the Australian Colonies. For instance, in New Zealand the cost per inhabitant is only 28. 10½d. ; in Victoria, 48. 5½d. ; in New South Wales, 5s. 7½d. ; in South Australia, 4s. 2½d. ; in Queensland, 68. 9½d. ; in Western Australia, 128. 0½d. ; and in Tasmania, 4s. 2d. Now, I just wish to say a word or two, as I have a few minutes to spare, in regard to the prisons. The question of the classification of prisoners has been frequently brought before the House, and to a certain extent, and as far as we have been able to do so, a system has been established. For instance, youthful prisoners are now kept entirely free from adult prisoners ; and, in addition to this, the Government have made this new regulation : that prisoners may receive and write letters after they have been incarcerated for three months, as against eight months under the old régime. Then, in the matter of conversing with friends, a longer period of time has been allowed prisoners in the higher classes, the period having been extended from twenty minutes to thirty minutes. Another important change has been introduced-namely, tree-planting. Good work has already been done in that direction, no little amount of work having been done up to date in the out-planting of trees, and the time will come, I think, when the colony will have good results from the expenditure. I wish also to say a word on a subject that is not, perhaps, connected with the debate, although it is connected with my department. It is this: As Minister of Justice I often receive communications and resolutions from societies and from individuals. I regard the writers of such communications as soft-hearted. They are inclined to allow the heart to rule their actions rather than the head ; they are swayed more by kindness of heart than by hardness of head. In these days there seems to be a sentimental feeling abroad which has this effect : if a criminal is ordered to be punished there is a wave of sympathy on his behalf; and really it appears to me that more sympathy is felt for the criminal than for those who suffer by the crime. This is a fact that has come forcibly home to me as the Minister in charge of the Department of Justice. It is a maudlin, soft-hearted sympathy that, I consider, should not be fostered among our people. Of course, the State does not take up any attitude of vengeance; it simply acts on behalf of the community in punishing criminals for the offences they have committed. Punishment is no doubt a deterrent, and its best effect should be the prevention of the committal of crime, and this should be kept in view, instead of too much attention being paid to this feeling of sympathy for persons who offend against the law. Mr.

DEPUTY-SPEAKER .- Time is up. Mr. J. W. THOMSON (Clutha) .- Sir, in the speech we have just listened to, the Minister of Justice dealt with a number of subjects connected with his departments. He gave us a good deal of statistical information regarding the mining industry. I have no doubt the honourable gentleman was quite correct in all that he said regarding mining. Towards the close of his remarks he referred to another department over which he presides-the Justice Department. He told us that in these two departments the proposed expenditure for the year did not much exceed the expenditure of last year. I admit that these departments compare very favourably with some of the other departments as far as expenditure is concerned. I notice that in the Mines Department the money proposed to be expended during the current year is only £6,000 more than that expended last year, and that in the Justice Department the proposed expenditure of the current year is only some £3,000 more than the actual expenditure of the past year. I have no fault to find with these departments. With the view

of proving to us that the country is prosperous, the honourable gentleman also told us that now we never see any unemployed knocking about. Fortunately, the country is in what people believe to be a prosperous stato. People, therefore, who wish work can usually find it, and if any one cannot find work he applies to the Government and is put on the co-operative works. That explains how it happens that we do not at present see any unemployed persons. At the present time there are 5,627 persons who are employed on co-operative works. A large number of these have been taken on during the last year or two.

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on Friday night, said that he did not believe in lukewarm support of a Government. He believed in being for or against the Government. That means that if a member should see anything that he did not approve of in his party he should not say anything about it, but should go on supporting his party as warmly as ever. That is strange morality, and is a strong argument against our present system of party government. I notice that one of the first subjects mentioned in the Budget Speech relates to the public revenue. The first thing the Treasurer says about it is that the revenue far exceeded his most sanguine expectations. The honourable gentleman's estimate of it was far below the actual results, which is so far fortunate. The increase in the revenue of the country during the past year was £272,000. It may be presumed that the increase or decrease of the revenue of a State bears some proportion to the increase or decrease of the population. The honourable gentleman who has just resumed his seat made some remarks to the same effect, and I notice some remarks of the same kind in the Budget. All that goes to show that we may expect the increase or decrease of our public revenue to bear some proportion to the increase or decrease of the population. The population increases at the rate of about 2 per cent. I make out that if the revenue last year had increased at the same rate it would have amounted to about £110,000, and if things are properly managed that seems to be about enough to meet the cost of governing the additional population. But, as I have said, the increase is not £110,000, but £272,000, or more than double what it would have been if the increase had been according to the increase of population. This revenue of ours has been increasing very much of late years. This £272,000 of increase is less than the average increase of the past four years. The average increase of the past four years is £310,000. This increase, being larger than the increase of population, leads to extravagance. Government take credit for having for some years past transferred each year half a million from the Consolidated Fund to the Public Works Fund for the purpose of carrying on public works. In this half-million, however, there is included what is called the territorial revenue. This territorial revenue last year amounted to £270,000; so that, at the very most, only £230,000 of ordinary revenue could be transferred to the Public Works Fund. I think that, with due economy, the money available for public works might be very much larger than it is. If we were to practise the economy that might be practised, the money that would accrue to us out of the public revenue, together with the borrowing of, say, half a million a year, would give us about a million which we could devote to public works, and that, I think, would about meet the requirements of the colony. We have been increasing our expenditure of late years. The increase of expenditure last year as compared with that of Mr. J. W. Thomson increase each year during the last four years has been £248,000. I admit that last year was an exceptional year as regards calls on the public Treasury. The chief dread with most people as to borrowing for public works is the payment of the interest. For every million we borrow we pay at the very least £35,000 of interest; but the sum by which we are yearly increasing our expenditure would pay interest on seven millions at 3 per cent. Then, there is the current year. No doubt we have many things to pay out of the revenue of the current year. The expenses are exceptional. The estimated increase of expenditure during the current year is £309,000. As there were so many necessary demands on the Treasury it was our duty to try to keep down all unnecessary expenditure, but instead of that we seem to have been increasing our

expenditure in all directions. It is a very easy thing to raise salaries, but it is a very difficult thing to reduce them, or to reduce expenditure once entered on. I have seen attempts made in this direction several times in this House. On one occasion the public servants had their salaries reduced by 10 per cent. They were what they themselves called "ten-per-cented." A few years after that, a motion that the Government should take back their estimates and reduce them to the extent of \$50,000 was carried. These things are very unpleasant to Ministers and to all concerned. I do not say that we shall have to do the same thing again, but if we are not careful we may have to do it. I notice that the interest and sinking fund has increased this year by £74,000. Then, there is the Colonial Secretary's Department. That is a very expensive department. The probable increase this year is no less than £69,000. In this there is the Public Health Department, estimated to cost nearly £13,000, and the Office of Industries and Commerce, estimated to cost nearly \$9,000. I do not know very much about this new department, but I think it is one of the things that might have been postponed. Mr. SEDDON .- Forced upon the Government-both of them. Mr. J. W. THOMSON .- The Government should have nothing forced upon them. The Government is responsible for public expenditure, and I should be very sorry to think that this or anything else was forced upon the Government. The Government is responsible for every penny of expenditure. If a man goes to the Government and asks them to put on the estimates a certain sum of money, and if the Government put that sum on the estimates, they are responsible for it, not the man who asked them. I conclude that the Premier is sorry that he did so. Mr. SEDDON .- No, I am not sorry I did it. Mr. J. W. THOMSON .- The honourable gentleman seems to have been got the better of by some person or persons. I should be very sorry to think that is the case, and that it should go abroad to the country that this was forced on the Government.

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Mr. SEDDON .- Hear, hear. The public demanded it. Mr. J. W. THOMSON .- Then, there is the Tourist and Health Resorts Department, expected to cost £16,000. Was that forced upon the Government? Mr. SEDDON .- Yes; and it is to look after one of the most valuable assets we have got. Mr. J. W. THOMSON .- It may turn out well: I hope it will. Then we come to "Miscellaneous Services," in which are included the expenses of the Royal visit, and of that I shall say nothing. We were all gratified to have the Prince and Princess amongst us, and I am sure we do not grudge the money that their visit cost. Then, there is the Education Department, the additional cost of which is estimated at \$73,000. I suppose that was an absolute necessity, and I have no doubt we shall get good value for the money. In the Agricultural Department there is an increase of £17,000. This department is growing. In some respects I believe it has done and is doing good, but I am inclined to think that latterly the Government have been going rather too far. For instance, I understand the Government have been importing entire horses from the Old Country. Mr. SEDDON .- We got two of the best horses in England for nothing. Mr. J. W. THOMSON .- We never get anything for nothing; we have always to pay for it some way or other. Now, with respect to these two horses - Mr. SEDDON .- We sent them to Otago, but if you are not satisfied to have them there, the people of the North Island will be glad to have them. Mr. J. W. THOMSON .- All right; I am not to be frightened by the Minister from making any remarks I think proper. I shall not be responsible, but the honourable gentleman will be. But, all joking apart, I think that business of this kind might well be left to the enterprising men of the country. We have pursued this policy in the past, and with the best results. A gentleman who was at Home lately, and who had attended many agricultural shows, told me that he had seen quite as good horses in New Zealand as he had seen in the Old Country. I am sure we are all pleased that this is so. The stock has been brought to its present state of perfection by private efforts, and I think it should be left to private efforts in the future. Mr. SEDDON .- An infusion of new blood does good. Mr. J. W. THOMSON .- That is quite true; but we got an infusion of new blood in bygone years; and if we leave this business in the hand of competent men we shall

continue to get new blood. Then, there is the Defence Department. That is costing us too much. The sum put down for this year is €213,000. Of course we must be defended ; but I think our defence should be left chiefly to the English navy, and we should contribute our fair share of its cost. I am sure that a large proportion of this money is frivolously thrown away, and bridges. Then, there is the Lands and Survey. I notice that we propose to spend a less sum of money on lands and survey during the current year than we did last year. Mr. SEDDON. - We have taken from that the Roads Department, and have put it under a separate department. Mr. J. W. THOMSON. - If the honourable gentleman can explain it, so much the better. At all events, these are all increases, and they are increases during a year when we should have been specially on our guard to prevent expenditure that was not required. Then, there is the proposed public works expenditure. That is growing apace. The expenditure is now well on to two millions. That, I think, is altogether too much. My own opinion, as I have said, is this : that we might raise so much out of revenue. That and, say, half a million of borrowed money would be enough. This department is growing, growing by hundreds of thousands each year. It is like all other businesses that are in a thriving way-a business to be in a thriving way must be growing. We are borrowing and spending too much. I once heard the Premier say that rather than be a party to the borrowing of two millions a year for public works he would resign his seat on the Treasury benches. I think I once heard him make a statement of that kind. Is he not in the fair way of having to borrow two millions a year to carry on public works ? Mr. SEDDON. - No. Mr. J. W. THOMSON. - He says, "No" ; but we have been moving in that direction for years past, and we are just on the margin of the two millions now. The Minister, will by-and-by be forced to borrow two millions to carry on the public works. A supporter of the Government said in this debate that he did not believe the Government would get the money. Those are his very words. We know the Government will have to pay sweetly for it if they get it. As that is so, we should be on our guard as much as possible against running into expenditure of this kind. Just think what would be the effect if we were forced to reduce our expenditure by one-fourth. As I have said, we have 5,600 men at present on the co-operative works. The reduction of our expenditure by one-fourth would mean paying off upwards of a thousand of these men. And where would they go to ? They would go principally to our large towns - to Auckland, Wellington, Christchurch, and Dunedin. Would the honourable gentleman sitting on the Ministerial benches then say, "Look, there is not a swagger to be seen ; see how prosperous the country is " ? Would people say the country was prosperous when men were walking on the streets unemployed ? The Government should therefore be very much on their guard. I think the mistake the Government has made is that they have been going on as if the good times we were having were certain to continue. No doubt the country is fairly prosperous at present, but we all know that there is no country that is always prosperous; we have

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I hope we shall have no depression for a long time to come. If I were to show that we might have depression again I should be spoken of as a pessimist. I am not to do that ; but it is generally admitted that things are not looking quite so well as they did. The honourable gentleman himself admits this, towards the close of the Financial Statement. I shall read the passage. I am sorry I have not committed it to memory : "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." This means that at present we are rather in troubled waters. If so, it is desirable we should go slow. I am, however, rather astonished that the Premier, who is so progressive, should have used the word " slow." I notice-and it has been referred to by others -that there is a good deal in the Statement about prudence and economy. I have paid a little attention to this expression, and I notice he never speaks of himself as having been prudent. The words have a general application. He has so framed his phraseology that we cannot say that he lays claim to having been prudent and economical. Well, the case against the

Government, as I understand it, is that their expenditure is increasing too fast. I have noticed that not one member 12.0. who has spoken, even on the Govern- ment side, has attempted to justify the Go- vernment in their excessive expenditure. Of course, in a debate of this kind one can speak of anything and everything-at all events, anything and everything that has & bearing upon the prosperity or otherwise of the country-and many have acted on these lines. We have had a very interesting address on the subject of education by a member who #cc-zero was well fitted to give us an address of that kind. Another member devoted a large portion of his speech to a history of the labour legisla- tion, which was so far good. I have noticed that those who have spoken in favour of the Government have been very general in their remarks. One member, in speaking of the co- operative labourers, said that in the near future they must be dispensed with. What does that mean? It means that as regards this public works expenditure the Ministry must take in sail, and the doing of that will throw a number of men out of employment. The honourable gentleman who made that speech was a strong Government supporter. I shall not say any more, but I must say in regard to the prudence and economy that figure so much in the Finan- cial Statement, not much of it can be seen in the management of our public affairs. Mr. E. G. ALLEN (Waikouaiti) .- Sir, it is quite refreshing to listen to the criticisms of the honourable gentleman who last spoke. Comparing the criticisms of that honourable gentleman with the remarks of one or two of the honourable members on this side of the House I think the contrast is very distinct. And he is a gentleman whose ideas on public matters are well known all over this colony. Mr. J. W. Thomson respected member. He has dealt with the Financial Statement, and with the remarks of other honourable members, in a fair and reasonable way from the point of view of an Opposition member, and I am sure that we must all feel that there is, after all, some fairness on the other side of the House when a man expresses his convictions without bitter- ness, and without misconstruing and dis- torting the facts, as the honourable gentle- man has done. Sir, I would like to say a few words in this debate, and I at once say that the country has cause to be satis- fied with the condition of the colony's finance, for in spite of the heavy expenditure that has taken place during last year the Treasurer is again able to show a substantial surplus. Con- sidering the large sums paid in old-age pensions, paid for our public works, and paid in con- nection with the war in South Africa, and with the loss of revenue caused by the reduction of Customs duties, by the concessions made in our railway tariff, the strong financial position that we are now in speaks well for the colony's resources. Sir, the Treasurer in his Statement for 1900 said, "In regard to last year's opera- tions, I expect a surplus, but, as far as I can forecast, it will be the smallest I have ever had." Now, it must be exceedingly gratifying to the Right Hon. the Premier, and also an agreeable surprise to him and to the members of the House and to the country generally, to find that the surplus was over half a million of money. There is a paragraph in the Statement under discussion that says,- "The revenue being estimated at £5,896,000 and the expenditure at £5,763,814, there re- mains a balance of £132,186, to which may be added the balance (£32,564) of the surplus brought forward from last year after allowing for £500,000 to be transferred to the Public Works Fund. These figures produce a balance of £164,750, out of which provision for the supplementary estimates has to be made." This referred to the estimated results at the close of 1901-2. Now, Sir, last year the balance available for supplementary estimates was only £126,828; that was the total amount that was left for supplementary estimates and contingencies. This year we have an amount exceeding that by £37,922, notwithstanding all that has been said about the condition of the finances ; and it must be remembered that the amount of loan-money authorised was the same last year as the amount intended to be raised this year. Sir, a good deal has been said during this discussion on the self-reliant policy of the late Mr. Ballance. I do not know why the name of that statesman should be trotted out on the floor of this House as much as it is. Sir, the conditions now are altogether different from what they were in Mr. Ballance's time. When that gentleman came into office the country was suffering from the reaction of a very large expenditure of loan-money. No provision was

made An Hon. MEMBER .- NO. Mr. E. G. ALLEN .- The honourable gentle-

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a large expenditure and a reckless expenditure, and after that money was expended there was no provision made to develop the resources of the colony, to put settlers on the land, and tide over a bad time. When the money was done there was a collapse, and we had the "unemployed" difficulty, and people left our shores instead of remaining here and completing our public works. Why, Sir, I venture to say that if the right honourable gentleman at the head of this Government had been in power at that time he would have done exactly as the Hon. Mr. Ballance did. And I say if the Hon. Mr. Ballance had lived to the present time as head of the Government he would have carried on the affairs of the State on similar lines, and would have adopted a similar policy to that of the Right Hon. Mr. Seddon at the present time. Sir, it has been said that the public works expenditure during Mr. Ballance's time was £350,000 a year. Well, I should like to know how could the public works have been carried on and the progress of this country have been maintained on so small a sum as £350,000 a year? It is simply absurd. We know what occurs; we know that members from all parts of the colony are clamorous for the expenditure of public moneys. We have had instances in this House of what the North Island members want; they have asked for a quarter of a million a year - as an "irreducible minimum" - for the Main Trunk line alone. And then, there are the Otago Central, Midland Railway, and lines in the North of Auckland, and many other railways and public works that have to be done. Why, Sir, some honourable gentlemen who represent northern districts want about £100,000 for their individual districts; and perhaps the amount would not be too much, and if the money had been available I have no doubt it would have been well and properly spent; but, of course, they could not have such large sums. Sir, I admit the amount that the Government has borrowed appears large, but we have not borrowed more than the country was justified in borrowing, and, as my honourable friend says, more than the country demanded. When we come to examine into this borrowing question, what do we find? The country has borrowed about a million a year since the advent of the present Administration - ten years. An Hon. MEMBER .- Far more than that. Mr. E. G. ALLEN .- The honourable gentleman says, "Far more than that"; but it is no more than that, as I can show from the figures before us; and, as a matter of fact, one-half of this money has been expended in reproductive and self-interest-paying channels - nearly one-half in regard to which the general taxpayers are not called upon to pay one penny-piece by way of interest. It has been expended in providing lands for settlers with small capital; it has been expended in providing cheap money for the farmers, and loans to local bodies; and a large amount has been expended in railway rolling-stock and to assist the dairy industry. Commonwealth celebrations. It is money that And these are the factors that have made the extent to this expenditure that the country is so progressive and the people are so contented. Why, Sir, not only did the members of this House demand a moderate borrowing policy, but the country has demanded that the Government should borrow; and the Government is bound to carry out the wishes of the people of the colony. Any Government whatever is bound to carry out the wishes of the people, because if they did not do so they would very soon be turned off the benches and their places be taken by people who would give effect to the wishes of the country. Sir, if in any session in the last seven years, excepting the present one, the Government had proposed to borrow ten millions sterling I believe the House would have agreed to it, but I am glad to say they did not do so. They adopted a prudent course by borrowing moderately, and assisted the public works of the colony out of the consolidated revenue. Now, why did they do that? They recognised that fatal results - that disaster - would follow if they in any year borrowed largely and made a spasmodic expenditure of large sums. Personally, I have always been against a large borrowing policy, but I have at all times approved of moderate yearly borrowing. The policy the Government has adopted is one of progress and prudence, and not a policy of stagnation. What, Sir, would have been the result if the Government had ceased borrowing altogether? It would have

meant stagnation to the colony- unemployed people, and unfinished works. No young colony can progress without borrowing. It must have money, and there are only three ways in which money may be obtained to carry on our public works-namely, by taxation, by selling the land, or by borrowing in the outside market. We know that undue taxation is very objectionable. Naturally, people will not stand it. Then, the House has affirmed the principle that the State must not part with more land than can be helped. The evil of disposing of the land for cost has been brought plainly before us by the alienation of millions of acres in the Canterbury Province. The best of the land there and elsewhere having been sold, the country now realises that the selling of the land must be stopped. Therefore there is only the third course left open to the colony to take-namely, to apply to the London money- market for cheap money. Sir, as far as I can see, the Budget does not disclose any cause for the alarm that some honourable members think there is. If the expenditure during the last five or six months has been abnormal and has upset the equilibrium of our finances it is a disturbance of a temporary character and nothing more. The country is quite sound and perfectly capable of recovering itself. I have no reason for thinking that the equilibrium of our finances has been upset, but we can understand that, if it is, it has been caused by the abnormal expenditure that has occurred on account of the Imperial troops, our contingents, our entertainment of distinguished visitors, and the

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quotation of our stock on the London money- market. The London Stock Exchange, judging by the quotations, has faith in the colony ; and why should we not have confidence in it ourselves ? Our stocks are higher than the stocks of any other colony, which I take to be a pretty fair indication that we are in a sound condition, otherwise those stocks would not be quoted so high as they are. Why, Sir, we boast of our magnificent resources ; we boast of our great productiveness ; we boast of our great importance ; and also we boast of our ability to stand aloof from joining the great Commonwealth of Australia ; and surely we are not going to be alarmed because we have expended six millions of borrowed money on public works during the last ten years ! Why, what does it amount to ? It amounts to this: that our exports for six months is equal to the whole amount that we have spent on public works during the last ten years. I say these are figures that speak for themselves, and that there is no cause for the alarm some honourable gentlemen have endeavoured to create during this debate. We are the wealthiest country per head of population in the whole world. That is a big thing to say, but it is a fact nevertheless. The wealth of this country amounts to no less than £288 for every man, woman, and child in the colony. An Hon. MEMBER. - And how much is it pledged for ? Mr. E. G. ALLEN. - Not nearly so much as that. There is no doubt a time will come when we shall not need to borrow, when our railways are completed and the country settled. The Right Hon. the Treasurer has already said, "Go slow." Well, he has piloted this good ship of State for a great number of years, and has piloted her well, and I, for one, do not think he is now going to run her on the rocks. He watches the barometer carefully, and when the time comes he will probably be the first to say, "Shorten sail." Sir, the honourable member for Hawke's Bay, when he replied to the Right Hon. the Treasurer's Statement, said that the "Right Hon. the Premier, in order to achieve popularity, was bribing the people." Now, Sir, when he said that, the honourable member for Hawke's Bay was not doing justice to himself. He does not often say unkind things, and I am sure he did not mean what he then said. Captain RUSSELL. - He did, though. Mr. E. G. ALLEN. - At any rate, I hope he did not. I give him credit for not meaning it, but for saying it when he was excited, because it was an unjust remark. Sir, is it bribing the people to remit the taxation this country has remitted ? Then, was it bribery to make the concessions to the producers, to the farmers of the country -concessions that assist the farmer in the way the railway concessions have done ? Was that bribery ; or was it bribery to give votes to the local bodies to enable them to make roads to the settlers' homes ? Is that a case of bribery ? Sir, we know very well that without such assistance there would have been large numbers of settlers in

this country who Mr. E. G. Allen There is nobody in this House knows better than the honourable member for Hawke's Bay that the local rates are not sufficient to meet the necessities and requirements of the local bodies of this colony, especially in the back blocks. Sir, the settlers in this colony have struggled along manfully ; they have struggled on through difficulties in a very commendable way. Why, in a part of the constituency I have the honour to represent there is a Road Board that has actually had to resort to a toll-bar in order to enable them to meet necessary expenditure and to supplement the rates. This Board, in addition to its inland roads, has to maintain fifteen miles of road which is protected by a sea-wall. This wall is continually being damaged by waves, and they have to economize and tax themselves to the full extent the law allows, and, with the revenue of the toll-bar, are unable to keep the roads in order. Now, would it be bribery for this House to give that Road Board £10,000? It would not be one penny-piece too much ; but we cannot get it, and it is a great pity that money is not available for such necessary works as those. There is another part of my constituency where the settlers have gone round with the hat and collected subscriptions, and given their own services free, towards repairing a public road. Would it, Sir, be a bribery to give these people money to enable them to keep their roads in order when they cannot do it out of local rates ? I do not think it would. And this is in a comparatively settled district. Now, what must it be in the back blocks when such a state of affairs exists in a settled district ? Why, Sir, it cannot be considered bribery to advance small sums to enable the struggling settlers to have access to their properties. The expenditure in helping the country settlers is justifiable, and must be continued until good roads in the country districts are provided, or some other means adopted whereby local bodies would have an assured finance, assisted by subsidising rates from the consolidated revenue, in proportion to the necessities of the districts. Referring to the Budget, it is very satisfactory to notice that the railways have had a prosperous year. They have paid 3 per cent. on the cost of construction. There are indications that they have been prudently managed when such a handsome return of profit has been announced, notwithstanding the great concessions made to the farmers and producers -£165,000. I think, however, it is a questionable policy to make the railways self-supporting. Some hold to the opinion that the railways should be self-supporting. Personally, I do not believe in that. I think, instead of making them earn 3 per cent., it would be better if they paid considerably less than that, and greater reductions were made in the rates on agricultural produce, thus further assisting the farmers and debiting the whole of the community with a greater proportion of the interest payable on their cost. Every one in the community shares in the

ways, and therefore the non-users should be called upon to share in the cost of the railways. Sir, the figures connected with the railways disclose the fact that the railway system is rapidly assuming large proportions, and that the skill in their management is keeping pace with their growth. Last year the revenue was over £1,700,000, and the number of employés within seven of eight thousand. The Minister has grappled very successfully with the rolling-stock question. We do not hear the complaints in regard to the want of rolling-stock that we have heard in previous years. I hope that in future it will not be necessary to send out of the colony for rolling-stock. I hope we shall be able to make it locally and keep the money in the colony, and give employment to our own artisans. While on this question I would like to congratulate the Minister on his proposed scheme of super-annuation for railway employés, and also on his amended Classification Act. The country Stationmasters are very much underpaid. There are scores of men getting from £140 to £160 a year holding responsible positions as country Stationmasters; they are acting as Postmasters in charge of money-order business ; their hours are very long, and there is some dissatisfaction amongst these officers on account of the long hours they have to work and the small wages they receive. Then, again, there are the Stationmasters at the second-class seaport stations. We will take Timaru or Oamaru as instances. In each of these places the Stationmaster has the whole responsibility. There is a large shipping business, passenger traffic, and goods traffic, and one man has

to superintend all that work. The Stationmaster in the principal centres has an abundance of assistance. There is a goods agent and Traffic Inspector, and the Stationmaster has nothing to do but look after trains and the passenger traffic of the station. The Minister is to be congratulated on the great concessions he has made to the producers. In respect to the carriage of lime free, a great benefit has been conferred on the farmers. I am sorry to say that the farmers in my district have not taken as much advantage of that concession as I think they might have done. The issuing of workers' tickets has been a great success, and is very highly appreciated. I think the system of granting cheap tickets to workers should be extended to working-girls travelling after eight a.m. I am aware that it is liable to abuse, but if a girl presents a certificate from her employer to the effect that she is a bona fide worker I think the concession might be extended to her. If that safeguard were taken by the department there would be no fear of abuses creeping in. It is very gratifying to notice that the Budget proposals contemplate carrying on a moderately vigorous public-works policy. The completion of our main trunk lines is very desirable, and I do not think that this House wishes any stoppage in the progress of those lines. Next to the completion of the trunk lines is the duplication of some of the suburban VOL. CXVIII .- 8. . Bay line. Members will understand that all the northern traffic joins the Port Chalmers- Dunedin Railway at Sawyers' Bay, and consequently both the port traffic and the country traffic is carried over a single tortuous line, a line which is quite inadequate to cope with the traffic. The dangers and delays at the crossings are very annoying and very inconvenient. There is a great want of a better service on that important line. The complaints about the line do not consist solely of inconvenience to the travelling public, but settlement in the district is very much retarded for the want of better railway facilities. We have miles of foreshore alongside the line eminently adapted for settlement, but people will not settle there in large numbers, because the fares are high and the trains slow and infrequent. What is wanted is a duplication and straightening of the line, and if this were done the revenue would no doubt be very much increased. The Minister has recognised the necessity for the work ; he has said that he will do it, but it has not yet been commenced. I should like to get some assurance that the work will be commenced at an early date. What did our old friend the late James Macandrew say? He said, " When you have got your Otago Central line completed, and the line doubled between Port Chalmers and Dunedin, you will have a a Broomielaw from Dunedin to Port Chalmers." I notice that the subject of steam communication with South Africa is referred to in the Budget, and I think it is a matter for congratulation that the Government is endeavouring to find fresh markets for our produce. It is to be hoped that they will succeed in establishing line to South Africa, because I think the country would make a very valuable outlet for our produce. I, however, disapprove of the State purchasing and owning ships. We have already coming here the steamers of five steamship companies, and, if we go into competition with those steamers, I think we shall run ourselves into great financial difficulties. Well, that is my opinion. Some honourable gentlemen say "No, no," but the profits these steamers are making are not sufficiently great to justify one thinking that this colony could compete successfully. But, Sir, I do say that instead of purchasing large steamers the Government should subsidise a line of steamers very liberally, principally to enable direct steamers to compete in South Africa with the Australian shipping companies. We know that Australia is a week's sailing nearer South Africa than New Zealand is, and unless some subsidy is given our vessels are not likely to compete successfully with the Australian vessels. I trust that the Government, in the event of establishing this line, will offer terms that will induce our enterprising Union Steamship Company to take up that running. The Union Steamship Company has claims upon this country that no other company has. It is essentially one of our own institutions. It has grown with the prosperity of this country, and among its employés will be found some of our

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valuable factor in the prosperity of this colony, and every new development and fresh growth of the

company means more employment for our people and brings more wealth to our colony. The annual expenditure of this company exceeds one million of money, and the vessels consume over a quarter-million tons of coal. They employ nearly three thousand men, and the wives and families of these men are nearly all living in the colony. We know that the company has vessels suitable for this trade, but if they could not be spared they would very soon get others. The company is building large and powerful steamers at the present time. We know that the troopship " Monowai " went to South Africa with a living freight of brave young fellows, and she did her work well. I am not at all in the confidence of the company, but I say it is a company with the command of money, and I think that it would be prepared to provide any service that the Government might require, and on conditions favourable to all concerned. It was mentioned the other night that some of the Home-Australian liners might be induced to call here in connection with our postal service. Well, I do not think it would do this country much good to be visited by the Home-Australian vessels. They would not leave any money here. Their stay would be only a few hours. I question if we could offer sufficient inducements for them to come here at all. But in the event of a line being established in connection with a Vancouver service-and I think it would be a step in the right direction for the Government to have a fast mail-service to Sydney, and to connect with the Vancouver service- I hope if such a line is established the claims of the Union Steamship Company will be recognised, and negotiations will be entered into with that company before going elsewhere. I should say a few words about the Defence Department, but my time is too limited. I will, however, refer for a minute to the subject of rifle clubs. To my mind, the regulations in connection with these clubs were framed with no intention of encouraging rifle clubs. I have evidence that the Commandant is opposed to the formation of rifle clubs, and he has been forced into making some sort of regulations which are really worse than nothing at all. With liberal facilities for the formation and support of rifle clubs, they would, I believe, form what do our strongest defence in this colony. The conditions say ? -- "Ex-Volunteers resident within "a radius of five miles of the headquarters of a Volunteer corps, and having had not less than three years' service, or Volunteers after having served for three years in the Volunteer Force, will, on discharge from the Volunteer Force, be allowed to enroll themselves in any recognised Government rifle club in the colony, provided no man so enrolled is less than thirty years of age." What absurdity ! If a man has had three years' training as a Volunteer before he is allowed to join he is a good shot, or he ought to be. There would be no object in his joining to learn Mr. E. G. Allen's previous experience in being eligible for joining a rifle club. It is a ridiculous condition. In regard to the age, there is no fault to be found with that, for if you allowed very young men to join rifle clubs they might be drafted away from the Volunteer corps. Then, clause 15 says,- " Each member of a rifle club enrolled under paragraph 3 will be allowed an annual Government grant of ammunition of a hundred rounds, which must be used for practice or for club matches, and a record of the scores made by each member must be duly registered. ' This is quite inadequate. One of the objects is to encourage shooting, and how can a person get sufficient practice on such a small amount of ammunition ? Of course, he can buy more, but there are many who cannot afford to buy ammunition ; and, if they are not allowed sufficient ammunition for practice purposes, it means that the end in view in establishing rifle clubs will be defeated. In concluding my remarks, I want to say a few words about the forests. The New Zealand forests have not received the attention they deserve. The subject is a very important one, and Governments in the past have done nothing practical in the matter, although this Government is giving a little more attention to the subject than any of their predecessors did. New Zealand is very liberally supplied with forest timber, and that fact is apt to make people careless about its conservation. The principal aim in this, as in all new countries, is to settle people on the land, whether that land is open land or forest land : and in many cases the settlers' axe and fire destroy immense quantities of valuable timber. In the recent exhaustive " Report of the Royal Commission on Forests," submitted to the Victorian Government, the Commis-

sioners point out that it is the duty of Governments to reserve all forest lands. New Zealand has, according to the report, about twenty million acres of forest land ; but only about one million of this large amount is reserved, and that is principally reserved for climatic purposes-at the heads of creeks and valleys and rivers, as homes for native birds- and not for the sake of its timber. It appears to me, Sir, that the question is worthy of consideration whether we should not institute a Department of Forests in this colony. We find that our kauri timber is fast disappearing, and no steps are being taken to afforest the lands that are being denuded of that timber. In 1899 we exported 50,000,000 ft. of timber, nearly one-half of which was kauri, and the value of it was £200,000. We imported in the same year 8,000,000 ft. of timber, of the value of \$103,000, principally hardwood. Now, this country is getting very little revenue from its forests-not nearly as much as it ought -- and I believe that if the matter were properly managed, and we had a Forests Department, we would get a very much greater revenue from our forests than we are getting at the present time. Why not grow our own hardwood ? We know that in fifty years, if we

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were to plant our forests with hardwood trees, we should be able to produce our own timber for bridges, wharves, and for all purposes where hardwood is required. The present Government are making some efforts in this direction, but they are only feeble. We have a chief nurseryman and a few assistant nurserymen. We have nurseries at Rotorua, Ewern, and Tapanui. In Mr. Matthews's report for 1890 we are told that at Tapanui there are eight hundred acres of land reserved, and there is only one man in charge. The report states that there are nearly four million and a quarter tree-plants in seed-beds in the different parts of the colony, and out of that number we find that there are only 170,000 eucalypts-I think, only five varieties. Looking through the list of the trees grown there, we fail to find the names of the most valuable timber-trees of Australia and Tasmania ; and I might state that the English names of the trees are given, as well as the botanical names. We do not find any iron-bark, tallow-wood, black-butt, grey-gum, red-gum, white-mahogany, red-mahogany, grey-box, brush-box, woolly-butt, spotted-gum, turpentine, jarrah, karri, tuart, wandoo, stringy-bark, peppermint, blackwood, brown-pine, cypress-pine, red-bean, rosewood, white-beach, silky oak, black-bean, tulip-wood, coach-wood, sandalwood-sandalwood, I might say, is worth \$8 a ton, and it would grow in the northern parts of this colony-Huon pine, or red-cedar. All these trees, or nearly all, have been successfully acclimatised in South Africa, America, India, and other places, and I have no doubt that they could be acclimatised here. Sir, at the present time our forests are conducted under the charge of the Land Boards. The Land Boards have full charge and disposal of the forest lands under an Order in Council dated, I think, last January. The object of these bodies is to induce settlement, and not to conserve our forests. What has occurred in many of the countries of the Old World, and even in some of the States of Australia where timber is plentiful, through this indiscriminate destruction of the forests ? Why, Australia has to depend upon imported timber for her requirements, and we know in the Old Country that has been so for a long time. And even in Australia they have to expend very large sums of money in afforesting the denuded portions of their forest land. It may be interesting to summarise a summary of the clauses of the Forests Bill that has been recommended by the Victorian Royal Commissioners on State Forests. Their report recommends,- "1. Independent control of the forest reserves, and the withdrawal of the administration from the Lands Department. "2. The dedication in perpetuity of ' reserved forests,' which term will include all permanent reserves for the growth of timber, or for climatic reasons, or for both purposes. "3. The dedication for an indefinite period of ' timber reserves,' being, as a rule, small areas useful for mining timber, fencing material, and fuel, and for the reduction in area, or Parliament only. " 4. The control of ' protected forests,' which term will include all unreserved mountain timber lands occupied for grazing or other purposes by persons having no claim to the fee-simple thereof. "5. The reasonable protection of all timber, scrub, or brushwood growing along the banks or at the source of rivers and streams; along the

shores of lakes, lagoons, and other bodies of fresh water ; on sea-coasts, or along the shores of bays, estuaries, and other inlets of the sea ; on drift-sands, or sandhills and ridges, or on the public roads. "6. The protection from wanton injury or damage of all exotics or indigenous trees planted on public or private lands, on public or municipal reserves, or on streets, roads, or lanes. "7. The demarcation on the ground of all ' reserves forests ' which have not hitherto been surveyed within a fixed period. "8. Protection of the reserves and Crown lands from the misuse or careless use of fire. "9. The encouragement of tree-planting in bare, treeless districts. "10. The encouragement of persons who protect and maintain on their freehold lands, or on lands in course of alienation from the Crown, a fixed proportion of indigenous trees useful for timber and shade purposes." I was going to read also a paragraph from this able report in reference to the duty of the State; but, as it would take longer than the two minutes still at my disposal, I shall not do so. Mr. MILLS (Commissioner of Customs) .- Sir, I have been wondering for some time why our Opposition friends have been so quiet, and I have been wondering why they have been trying to find fault with Ministers for not speaking. It was apparent to me that there was not much need for us to rise from our seats until we had something to contradict, and I should not have done so now, as I was under the impression that a member of the Opposition - the member for Franklin, Mr. Massey-would take the floor at half-past two; but he has not put in an appearance. It seems to me, Sir, somewhat marvellous that we should have this constant-almost petrified- silence on the part of those who are supposed to represent His Majesty's Opposition. I tell the Opposition fearlessly that they are neglecting their duty in not criticizing the Statement brought down before the House, for it is their special duty to do so. There is only one excuse they can claim, and that is that numerically they represent only about one-sixth of the House. I am very sorry for them that it is so, but, as it is the will of the people, I make due allowance on that account. But, though small in numbers, the duty of criticizing devolves upon them, and their constituents will expect that duty to be performed. Sir, I hope yet to see them come forward like men and redeem themselves, their reputation, and their position before this debate closes.

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There can be no excuse for them saying the [has been done with the money. And is there Budget is too short. Some of them say it is too long, and some of them say it contains too much ; others say there is not much in it. Well, all I can say is that among the members who made these speeches there must be great conflict of opinion. I say, unhesitatingly, that members have before this House a full, clear, and comprehensive statement of the finances of the colony. There can be no doubt on that point. In fact, I think it is more than usually clear, because the Premier has seen fit to go into even minor details, of which full information is given to the House. Therefore, when a complaint is made by members of the Opposition that certain papers are not forthcoming, I wish it to be clearly understood by the country that the desired information is really contained in the Budget itself. As a matter of fact, the Budget bristles with facts and figures which, up to the present time, have not been controverted. So far as there not being sufficient material in the Budget for a member to build an hour's speech on, the fact is that if one devoted a whole day to it he could not possibly cover all the ground. It would take him two or three days to deal properly with such important matter as is contained in the Budget, and it behoves all members on both sides of the House to compliment the Hon. the Colonial Treasurer on being again able to show to the House and the country that there is such a large surplus, or balance, amounting to £532,564 for the year. I think, then, we have reason for joining hands and congratulating the honourable gentleman who has so successfully steered the ship of State in the last twelve months. When the leader of the Opposition-I cannot help but refer to the honourable member for Hawke's Bay as the leader of the Opposition-spoke he said the public debt had been enormously increased during the past year, but he gave us no facts or figures to prove his statement. Captain RUSSELL .- Oh, did I not ? Mr. MILLS. - No. The honourable gentleman did not give the correct figures, but I will supply them. Sir, I intend to give the correct figures.

First of all, what was the gross public debt for the past two years ? On the 31st March, 1900, it was £47,874,452; on the 31st March, 1901, it was £49,591,245, or an increase of £1,716,793. Now, it is a reasonable question for any one to ask, What has been done with this money? Well, Sir, I shall show honour- able members what has been done with it. It has been invested and administered to advantage to the very best and material advantage of the colony. It is made up as follows : Loans to local bodies, £176,000 ; land for settlements, £219,000; New Zealand Consols, #17,902; aid to public works, \$900,000; advances to settlers, £380,000 ; dairy industry, €1,781 ; accretions to sinking fund, \$52,800; Government Insurance Department, \$2,000; by conversion 3-per-cent. stock, £18,000 : showing a total of £1,767,483; less redemption \$50,690, leaving the net total mentioned of \$1,716,793. That is a very clear and straightforward statement as to what Mr. Mills any honourable member in the House who will dare to stand up and challenge any of the items, and say the money has not been properly spent? No, there is not one member who will do so. Then, in the matter of payment of interest, some honourable members say it has increased ; I say it has not. We paid £1,749,393 in 1899-1900, and £1,745,615 in 1900, or a reduction in interest ten years afterwards. after increasing our debt, of £3,778. Surely, Sir, that is good sound finance? If we go back further and compare the interest paid in 1890-91 with the amount of interest paid in 1900-namely, £1,745,615-it shows, after borrowing the £10,760,895 and laying it out to the best advantage, we are paying £112,637 less interest; and who can reasonably object to that kind of business? Now, Sir, I have a table showing the increase of debt during the period 1891 to 1901. Some honour- able members do not like us dealing with only the present year ; they say you should go back a certain number of years, and I think it is only reasonable and fair to do so when you wish to secure reliable results. Now, the gross public debt on the 31st of March, 1891, was £38,830,350, and the gross public debt on the 31st of March, 1901, was #49,591,245, an increase, extending over ten years, of \$10,760,895. I have no doubt the honourable member for the Bay of Plenty will say, "What have you done with that money ? " Or perhaps he would not even ask that, he would say, " You have spent it ; you have wasted it." That is what he tells his constituents. Well, I am going to show the honourable gentleman it is no such thing. We have good valuable assets to show for every pound that has been expended, and a little to the good. Take the amounts, they are made up as follows : First, I will mention the interest-earning items. There is the amount for land for settlements, £2,075,566 ; that also includes Cheviot. The honourable member for Dun- edin City (Mr. Millar) seems to have lost sight of the fact of our having a Land for Settlements Fund ; I hope the honourable gentleman will realise that that is a valuable asset. Then we come to the advances to settlers, that account represents £2,380,000; loans to local bodies, £1,205,900. And where is the honour- able gentleman who will get up and say we have no right to lend money to local bodies? Not one on either side of the house will have the temerity to say that; they all acknowledge we are doing the right thing in reducing the interest paid by the local bodies for so many years past. Then, lands improvement, £500,000 ; Bank of New Zealand preferred shares, \$500,000; New Zealand Consols, \$459,389; district railways, \$47,000 ; open lines, \$625,000 ; the dairying industry, £1,781; making a sum of \$7,794,636. These are all direct interest-earning, every item I have referred to. The non-direct interest- earning items for the present are : Purchase of Native lands, £649,700. Again, my honourable friend the senior member for Dunedin City (Mr. Millar) found fault with the Government about selling some of the Crown lands ; but he forgot

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to mention that they were purchasing lands from the Natives and continually adding to the public estate, as well as selling some of the lands which were required for closer settlement. And another point he omitted to tell the House was this: that you may sell twenty thousand acres out of a hundred-thousand-acre block, and have more value left in the eighty thousand acres than you had when you owned the one hundred thousand acres, simply by the proposition of closer settlement. I know a

farmer who had a thousand acres of land. When his eldest son got married he gave him 250 acres, he also gave the second son 250 acres, and to the third son he also gave 250 acres ; and after- wards, when he had only 250 acres of land left, those 250 acres were worth twice as much as the whole of the thousand acres had been. So that by selling part of the Crown lands you may still have a more valuable asset left. Next, I will take the public - works item, representing £1,910,000. Are we to stop these public works? Will the leader of the Opposition say, when he taxes us with over- borrowing, that we ought to stop all public works? He knows perfectly well it is im- possible, and we know it is impossible. What line of policy does he suggest in its place ? It is easy to destroy, but not so easy to construct. The Ministry of the day are no more than the trustees of a large estate, and they ought to do what is best in the interests of the estate, which is the colony; and they can no more stop reasonable borrowing than we can stop eating ; but it must be done in reason, and judiciously. Then the next item of increase is conversion, £646,312; sinking fund accre- tions, £1,407,700 ; naval and military settlers, £27,226 ; Government accident insurance, £2,000; making another sum of £4,642,938 ; or, together with the sum I first named, £12,437,574, less redemptions under "The Consolidated Stock Act, 1884," £1,260,430. Other debentures, £416,259 : total, £1,676,679. And, together, the different amounts make exactly what we have increased the public debt by in those ten years, the total being £10,760,896. There is a fair open statement for the House to look through. An Hon. MEMBER .- Whose figures are they ? Mr. MILLS .- These are my figures, but given on the authority of a department that knows exactly what it is stating. And not only do those figures come from the department, but they have been taken from balance-sheets which have been duly audited; and I do not think that even honourable gentlemen of the Opposi- tion will find fault with the Audit Department as well as the Government. At any rate, I am quite satisfied with their work. Now, some people say figures are not interesting, but I con- sider they are very interesting, more especially when they are on the right side of the book. Passing from that, some other honourable gentlemen, and among them the leader of the Opposition, said there was a remarkable falling- off in the Customs revenue, and that it was causing great alarm Now, let me ask who caused the alarm ? An Hon. MEMBER .- The Premier. Mr. MILLS .- No; the honourable gentle- man's friends. Hon. MEMBERS .- NO. Mr. MILLS .- Decidedly it was. They dis- tort a statement made to two or three West Coast members about one particular fund, and immediately it was spread broadcast throughout. the colony, and sent Home to England as well .. Now, I am going to contradict those false im- pressions with no uncertain sound, and I am going to show, by the logic of facts and figures, what the true position really is. I had not. been long enough in office to have become familiar with the figures for past years ; so to. satisfy myself and the House that we are on. the right tack, I have done what any ordinary business man would do : that is, I have procured; the figures from audited balance-sheets, extend- ing over a period of years. Now I will take the past five years, and the corresponding months since the end of the financial year-that is, April, May, June, July. Our Customs revenue from 1897 to 1901 is as follows :- 1897. April 167,694 .. Beer 5,804 May 129,899 Beer 5,474 .. . June 130,686 .. Beer 5,303 July 168,035 .. Beer 5,039 Total . 4)617,934* .. Average per month .. £154,483} 1898. April 155,787 6,236 Beer May 144,770 .. 5,720 Beer June 134,185 Beer 5,226 July 156,728 5,227 Beer Total . . 4)613,879* .. Average per month .. £153,4693 1899. April 159,730 Beer 6.001 . May 160,652 Beer 5,936 . June 141,517 Beer 5.854 157,433 July .. Beer 5,076 .. . 4)642, 199* Total €160,5493 Average per month * Includes parcel-post.

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1900. April 153,204 .. Beer 7,059 May 184,770 Beer 6,325 .. June 157,133 Beer 5,880 .. July 186,947 .. Beer 5,542 .. Total .. 4)706,860° .. Average per month .. £176,715 1901. CR April 162,414 Beer 7.603 168,506 May . . 6,904 Beer June 140,464 .. Beer 6,562 July 194,536 . . 6,012 Beer Total .. 4)693,091* .. Average per month .. £173,273 # . Includes parcel-post. The Customs returns for last month, £227,169, and beer duty #7,305, are the recent ones for the colony, and show the average for the five months to be

the large sum of £185,513. That is a sum already ahead of what we have estimated for each month of the financial year. So I do not think any one can for a moment accuse us of discounting the future. Those are the absolute figures, and they can be checked by any body who likes to do so. I may also point out that on the 15th September last year the new tariff #cc-zero came into force. Under that tariff large concessions were made-practically given away - to the people, and yet, in spite of this new bed- rock tariff, the figures are satisfactory in every sense. Why, last month's return is the re- cord for the colony, so whilst the Government have been making very large remissions, still the Customs returns show wonderful buoy- ancy. The department estimates that the loss in Customs revenue last year by the remission of duties was #131,335. That amount, as I said before, was practically given away to the public. The following return shows the principal items on which the revenue has in- creased : Spirits, £22,836; tobacco, £15,843; cigars and cigarettes, \$9,115. Now, let me ask, are those necessities of life? Not in the slightest degree. Some people talk about a free breakfast-table, which is a very good thing, but none of these luxuries can be placed in that bill-of-fare; and these increases, with others, amount to £149,370. That is very satisfactory evidence that the condition of the colony is most flourishing. There can be no doubt whatever about that. Why, nothing less than Conservative Ministries could-and even they would find it difficult -- crush a fine little colony like this, although I admit its progress would be materially delayed. Now, I have not Mr. Mills time to enumerate all the sums that were collected annually for the past ten years. I may, however, briefly say that the gross revenue from Customs last year was £2,366,480, and I would like to point out, as Minister in charge, that we are working the Customs Department at a very reasonable rate. The cost of the department for the year ending 31st March, 1900, was £1 7s. 11d. per cent. That compares most favourably with other colonies, because when I refer to the most reliable statistics obtainable I find that the cost in Australia is as follows: New South Wales, £3 2s. 6d. ; Victoria, £3 3s. 2d. : Queensland, \$3 14s. 5d. ; and South Australia, £4 3s. I think, Sir, that is a very favourable comparison for New Zealand, and I think the House will agree with me when I say that any slight increases in the salaries of that department are well earned, as the amount paid last year is only increased by £385. Mr. HUTCHESON .- It is shameful the way you treat that department. Mr. MILLS .- If the honourable gentleman means that we ought to raise the salaries of some of the officers, I agree with him. I would now like to read a comparative statement to honourable members, showing how the colony has progressed since 1891, up the 31st Decem- ber, 1900 :- Comparison of certain Statistics for Years ended 31st December, 1891 and 1900. Population- . 763,594 1900 .. 629,783 1891 Increase, 21 per cent. Customs revenue (Import duties)- 1900 2,170,354 . . . 1,560,702 1891 . Increase, 39 per cent. Beer duty- CR 1900 .. 85,141 57,099 1891 Increase, 49 per cent. Tea (quantity on which duty Lb. was paid) - 1900 .. 5,174,707 .. 1891 4,055,193 Increase, 27 per cent. . CH Sugar (including glucose, &c.)- 168,876 1900 1891 114,515 Increase, 47 per cent. Spirits- 442,090 1900 1891 341,087 .. Increase, 20 per cent. Tobacco, cigars, and cigarettes- £ 362,008 1900 .. 256,778 1891 Increase, 41 per cent. Then, some people have been talking about imports falling ; but what are the actual facts ? In 1891 the imports were £6,503,849 ; for 1900, £10,646,096, showing an increase of 63 per cent.

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and what do we find ? The total value of ex- ports in 1891 was \$9,566,397, and in 1 00 the enormous sum of £13,246,161, showing an increase of 38 per cent .; and yet some pessi- mistic people are foolishly crying about bad times, while the outlook is quite the reverse. At any rate, these figures show a steady internal progress throughout the whole colony. The Commissioner of Customs in the United King- dom has always stated that where you see the consumption of beer, tea, sugar, and tobacco going up, it is strong evidence of the general prosperity of the people, and their spending power is correspondingly increased. I think, Sir, that should convince the House, so far as they need convincing, that the Customs revenue, which is the financial pulse of the colony, is not decreasing, but the department is very much

alive, and is doing exceedingly well, producing most excellent results. Well, Sir, the honourable member for 3.0. Hawke's Bay also challenged us with profligate expenditure; but there was nothing to show that he was right in his assertion. It was a bald statement without any backing up by facts or figures, and I will be able to show that the expenditure with which I have something to do, and which is so far concerned with my department, is not a profligate expenditure at all. Then, I notice the Opposition always overlook the credit side of the book. If they would be only fair, and give the other side as well, so that the public could judge between them and us, we should be quite satisfied. No sensible man ever tries to arrive at the balance of an account without looking at both sides of the ledger. All we ask for is to have a fair investigation, and we are quite prepared and proud to show what a flourishing position the colony is in financially. Having given you such satisfactory figures, I think, so far as this department of the colony is concerned, I need dwell no longer on them. I will pass on, therefore, to a remark of the honourable member for Bruce. He says that the Valuation Department, which is also under my charge, had instructed the valuers to put up land-values throughout the colony. That I emphatically deny. It is a most vicious statement, and I deny absolutely that there is one atom of truth in it. I have not time to go into the whole matter now, but I refer honourable members to Hansard, No. 10, page 95, wherein is published the exact instructions that were sent forth to every officer in this colony from the Valuer-General's Department. But, of course, some honourable members do not seem to realise that this is a very large department, and that they have had exceptional work to perform since they started. To give you some idea of what it means, I have just ascertained what number of valuations they had to go through. I find that the increases in the North Island were phenomenal, whilst there was very good and substantial progress in the South Island. The valuations of the North Island were 119,258, and in the South Island 112,707, giving a total of 231,965 separate valuations. It has been a very difficult matter in going through the whole of the colony to bring out the valuation on sound business-lines of what we considered was a reasonable and fair one. But you cannot expect, in a very large business of that kind, to get the scheme and work perfect at once. At any rate, judging from what I told you of the large number of valuations made, the proportion of complaints have been very small. That is a very good index as to whether they were levelling out fairly or not. Of course, we know there have been some very reasonable complaints. There is no question about it, and they will have to be remedied; but the number as compared with the whole has been very small indeed. Now, the railways have not been included in these valuations, and only the surface valuation of mines. What, then, is the result? The land valuations in 1898 were £138,000,000, in round figures, while in 1900 they were £147,000,000; and let me point out to honourable members that there is still only about one-third of this colony properly and truthfully valued at the present time. The remaining portion has to be done, and the department is going on with the work steadily. Now, honourable members will recollect that when the property-tax was abolished the land- and income-tax was introduced. Let us compare the two and see what it means. The property-tax, which included all improvements, yielded a return in its last year of £356,741. If members look at the report, B. - 15, 1890, they will find the figures. It is a singular thing that under the old property tax the improvements were always very small, owners keeping them down as much as possible; but the moment the new system was introduced the value of improvements ran up. Like a barometer, they rose with the weather, and more especially when they were made exempt from taxation. Since the change was made, the land-tax in 1892-93 yielded #297,181, and it has gone on, sometimes increasing and then fluctuating, until last year it yielded only #294,583. The income-tax, which in 1892-93 only represented 3,443 persons, yielded £67,367; now the number has increased to 5,656, yielding the large sum of £173,808. Surely this must be conclusive evidence as to the wealth of the colony steadily increasing. It must convince any one who thinks the subject out, when they find the number of those who have to pay income-tax increasing to such an extent in ten years, that there must be more money in the colony; because you must recollect that a

man does not pay the tax till he has an income of over \$300. Putting the two amounts together, the land- and income-tax make a gross sum of £468,391, as compared with the old property-tax, £356,741. Let me point out to honourable members that if the old Property Assessment Act had remained in force, and the same amount-namely, 1d. in the pound-had been levied annually, the settlers would have had to pay a very much larger sum. Now, the salaries attached to the Valuation De- partment are, I admit, increased this year, but

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the increase is not a very large one; it is all represented by £1,021, scattered over the whole department. And let me point out that when discussions have taken place a number of times in the House the whole tone from the members has been that the valuers were underpaid. Mr. TANNER .- Rather that they did not do their work properly. Mr. MILLS .- No, it was not that ; it was ad- mitted that the fees charged were too light, and it has been admitted that the valuers are doing a great amount of work. Most of them are on a fixed salary now, and they have to cover larger districts; they have much more work to do now than formerly, and, therefore, I think it must be satisfactory to honourable members to know that there has not been anything beyond what they were well entitled to added to these salaries. Sir, years ago, when I was at school, I recollect that when the schoolmaster wanted to inflict summary punishment, he called out the boy, and said, "Now, put out your hand ; " then, while the poor lad was waiting, he would give him a lecture, and finally wind up by saying, " You know, it hurts me far more than it does you," and then he would bring the cane down very heavily with a vicious stroke. Now, a few members of our party have been very much like that schoolmaster by act- ing as our candid friends, and one member told us in this House that those gentlemen who acted on Commissions were guilty of bribery and corruption. For instance, the member for Ashley told us-or he implied it by innuendo- that all those members who acted on Commis- sions were guilty of bribery and corruption ; but surely the honourable member for Ashley ought not to be so caustic in his remarks when referring to those Commissions and the gentle- men who served on them; because, in my opinion, there is not one of those gentlemen who acted on those Commissions but who at any time would have given their services in the interests of the colony, and they have done their best to elicit and bring forward infor- mation which it was most desirable for the colony to have. The small amount of remune- ration they received, in my opinion, was not worth talking about for the services they ren- dered, and I do not believe that there is one member in this House who would at any time take such a position if it could be said that he had done so for the purpose mentioned by the honourable member for Ashley; but probably " the grapes are sour." Then, the honourable gentleman said that there was increased taxa- tion, and he pointed out the increase in the land valuations made by the department. Well, I would ask the honourable gentleman, What does his complaint amount to ? Does he think for a moment that the men who are appointed as valuers have not a reputation to uphold ? They have to do their duty in order to retain their position : and how could they possibly stultify themselves by giving in false returns ? They would have to do that if they wished to meet the wishes of the honourable member for Ashley, and not make any return above a certain value. These men have a public duty Mr. Mills to perform, and they know it, and, what is more, they do perform it to the best of their ability. I am positive that not one of these men would for a moment do anything which would look as though they wanted to increase the burdens of any man in this colony wantonly. At any rate, I know that all the members in this House who believe in the single-tax, and others, will agree with me that we must rely on obtain- ing the bedrock values for our land throughout the colony. Another factor which has not been noticed by honourable members in their criti- cism of the increase of the expenditure is the number of new departments which have been created, but which were not created by the Government for their special benefit, but at the will of the House. They have been created because this House says, "We think it ad- visable you should make these changes " ; and therefore you cannot possibly open new de- partments,

go on with your ordinary works, and not pay any one for it. You must have a staff, and you must have the departmental expenses growing steadily at the same time. There is another statement made with regard to what the national debt represents per head of the colony, and the way in which this statement is put is utterly fallacious. If there is anything in the statement that the increased indebtedness per head of the population in the colony shows the colony is going backwards, you must, to be fair, take off the assets on the other side first before dividing, which will considerably reduce the proportional indebtedness. It is just the same as in the case of a company. That company's assets may be worth \$50,000, and their overdraft at the bank may be £20,000. That would only represent so much per head to those shareholders. But after a year or two, if half of them sold out to the others, probably they might have to increase their overdraft at the bank to £30,000. It does not necessarily make the remaining shareholders any poorer ; they may be very much richer for their transaction, and may quite legitimately have required the larger overdraft to meet the altered position they held in the firm. And similarly, in dealing with the colonial debt, if you say it represents so much per head, unless you show the increased value of the colony's assets, they are simply idle figures and not worth while wasting time over. Well, Sir, passing on, I have just a few words to say regarding my other department- that is, the Advances to Settlers-because that subject was pretty well threshed out not long since when discussing the Loan Bill ; but there was one item which seemed to give incessant worry to my honourable friend the member for the Bay of Plenty, and also to the member for Riccarton. The item was £155,000. which appears as passing through the Public Trust Account. I knew there were a great many cross-entries represented in that item, but I could not tell immediately from the department the exact amount. I have since got the calculation made, and this will show how it works out : For instance, a man borrows a sum of \$200 from the department and goes on with his

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acres, at a cost of £1,790,000. Now, I have no work, and then, after the lapse of two or three need to wander into the statement referring to years, he asks for another £200, and in another the Land for Settlements Fund, because we year or two he borrows a further £100. That would make up £500 altogether that he will shall have another opportunity later on, and I believe my honourable friend the Minister of have borrowed from the Advances to Settlers Lands will give full information to the House Office, which would necessitate his paying interest six different times during the twelve when he refers to this. But I would point out months, a most unpleasant necessity. Now, that there can be no question about the success the department would say when it advanced of the scheme; and the lands that have been bought are a financial success, and a social that last £100-not without security, as the success, and, from a colonial point of view, they honourable member seemed to suggest, for they have been of great benefit to the colony. The have ample security-they would say in a reasonable way, "Surrender your old mortgages, and we will advance you the whole £500 as time larger blocks have not been acquired in that part of the colony I represent. under one new mortgage, and make your interest payable every half-year." That is more convenient to both parties, much more acceptable to the settler, saves a lot of clerical work, " Buy up the whole country," because I am not one of those who believe that the whole of and greatly simplifies the work of the department- the land of the colony is suitable for close ment. There is also another case which often occurs, and that is : We will say a man borrows settlement. I have too much common-sense \$400 on really good, or what is called gilt-edged, for that. There are thousands of acres only fit for pastoral purposes. But, on the other security. That man may have a mortgage hand, there are large areas of land, to my knowledge amounting to £1,000. Some time afterwards ledge, in my electorate which are suitable, and, he asks for an advance of \$500 on another I think, would be better under close settlement- property belonging to him. The department find that they have a good margin of security ment, and would yield a far better return than on the first property, but not

sufficient margin they do now to the present owners. Speaking from memory and from experience, I say that on the second. They say .to the applicant, " You may have this money on these conditions: the Starborough Estate has been a good object- Surrender your old mortgage and we will ad- lesson so far, as well as the Cheviot Estate. vance £1,500 on the two properties." To which he agrees, and the new mortgage is executed. But by virtue of the statute law this repayment has to go through the Public Trust Account, why not? I think the Upland Downs and a and we find the amount swells up quickly, as good deal of the Awatere country could be cut by placing them together it appears to be a up to great advantage. It will not be allocated very large sum for reinvestment ; but, then, in what is known as small-farm holdings; it when you consider the cross-entries made con- tinually the amount at the disposal of the must of necessity be something very much Board is a very different one. I have just larger than the ordinary small settlements, but, still, much smaller than the present holdings. had it run out for the last six months, I am quite satisfied the Government could make and, of the total sum of £67,089 that was paid twelve to eighteen first class holdings there. As into the Public Trustee's Account no less showing what progress there has been between than \$22,652 was represented by these cross- the past and the present, I have a little table entries. Now, could any Board make advances here which is a comparison between the Cheviot and depend on that class of finance to carry on such an enormous business ? I say they could and the Hororata Estates. not do it. Therefore I just wish to explain this Comparison of Postal Work for Years 1>91 to honourable members, because there has been so much talk about it that a wrong impression may have been created, and they seem to think this amount is coming in every year to assist the Board materially in relending money, which is not so. Before passing on to other matters I just wish to say that the increase of Cheviot- salaries in that department is represented by the small sum of £383, spread among all the officers ; and I am quite satisfied if honour- able members look into this matter when in Committee they will say there is not one penny but what is honestly deserved. Sir, I have Hororata- another paper here with some very good figures referring to our land-for-settlements policy, but I find time has gone so quickly that it will be impossible for me to deal with it at length. I shall summarise it in this way-by saying that up to the 31st March of this year eighty-nine estates have been acquired, containing 374,837 An Hon. MEMBER .- Buy up the whole country. Mr. MILLS .- I am not so foolish as to say Mr. WILFORD .- How about Upland Downs? Mr. MILLS .- It has not been purchased yet. Mr. WILFORD. - Why not ? Mr. MILLS .- Well, I, too, want to know and 1900 at Cheviot and Hovorata. Money Money With- De- Orders Orders draw- posits. paid. issued. als. £ £ £ 326 1891 158 810 43 1900 8,186 3,592 1,821 6,437 Increase . 5,627 3,434 7,860 1,778 803 433 92 102 1891 419 769 1900 301 195 +327 +93 *34 *132 * Decrease. t Increase.

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settlement has meant to a place like Cheviot. And this other table shows the private wealth per head of the population of the colony to be \$230 in 1891, and \$296 in 1900; the number of depositors in the Post-Office Savings-Bank in 1891, 104,467, and in 1900, 197,409 ; the amount deposited in the Post-Office Savings- Bank in 1891, \$2,695,447, and in 1900, £5,809,552 ; the amount on deposit in banks of issue in 1891-Bearing interest, £8,673,326, and in 1900, \$7,926,852; not bearing interest, in 1891, £3,621,116, in 1900, £6,866,376. There has also been some discussion about bush settlement. Well, I have always held one opinion about bush settlement. I have told the House over and over again what that opinion is. My opinion is this: If I wanted to punish my greatest enemy I would put him somewhere in the heart of a big bush, where he had no friends, no means, no work, and no railway communication, for if a man has neither of those advantages he cannot possibly make headway. So that to make a success of such a settlement you must pro vide one of the adjuncts I have mentioned. Therefore the promise made to the House last year as to the rebate of rent, and the amend- ing Bill of this session, should assist that class of settler who goes on the land to make a home for himself and his

family. There was some misunderstanding in various parts of the colony last year about the rebate of rent. I understood from the tone of the House at the time the rebate was agreed upon that it was to be universal, and I have since looked up Hansard, and my opinion has been confirmed. However, certain Commissioners of Crown Lands did not see the matter in the same light, and for that reason the concession was not granted in all parts of the colony alike. I think, therefore, that some alteration should be made in the Act this year to give effect to ' what was, no doubt, the wish of the House. Sir, as the bell has warned me that I have only five minutes more to speak, I shall have to pass over many important subjects-namely, the railways, education, the tourist traffic, gold-mining, the expansion of trade, and federation - and say something more about our assets and liabilities before sitting down. I will go back into ancient history to some extent, so that I may be able to analyse the position for honourable members, and give them a most interesting statement. The last report obtained under the Property Assessment Act shows that in 1886 the real property in the colony was valued at \$116,376,659, while in 1889-three years afterwards-the value was only £111,137,714, thus showing a depreciation of \$5,238,945. Now, the Stout-Vogel Government came into power in 1884, and in 1886 the net assets of the colony, according to the assessment, were £128,803,635. They continued in power until October, 1887, when the Atkinson Administration came into office ; and, although the assets must have increased during 1887, what do we find? We find that on the 31st March, 1889-less than two years later-when Mr. Mills taken, the net assets had absolutely decreased to £128,521,234, showing an actual loss of £282,401 during that short period. Then, taking the loss at the same ratio as in the preceding years - 141,200-the total loss would amount to £423,601. Honourable members will see, therefore, that if the Atkinson Administration had remained in office until the present day the result would have been that, losing at the rate of £141,200 per annum, the colony would have made a loss in the ten years of £1,412,000. This added to the loss for the previous three years -namely, \$423,601-would make a total loss of £1,835,601. That, Sir, would have been the result of the Atkinson Administration, or probably worse; but I do not wish to make it appear worse than it is. from the total net assets, as shown in table for 1886-namely, \$128,521,234-and subtract the £1,835,601, and we find that to-day the total assets of the colony under their administration would have only been worth £126,685,633. Now, let me ask, Does any honourable gentleman think that the old Administration would have been better than the present ? Far from it. Sir, the figures I have given show clearly where the colony would have been to-day. As a matter of fact, it was rapidly going to ruin. When the Ballance-Seddon Administration came into office what was the result ? Taking the figures from the results of the last property assessment, we find the total net assets were £128,521,234, and now real property alone has increased to \$147,000,000. Now, that is an increase of some £19,000,000 in real property alone, and only about one-third of the colony has been correctly valued, so that the net assets of the colony at the end of our last financial year must have been worth nearly £150,000,000. There is the difference between us. I am satisfied that any one who realises the position must acknowledge that the administration of the present Government has been according to sound business principles and good judgment, or otherwise it would not have shown the satisfactory result which it has done, according to the figures I have shown to-day. We are not accountable for the drop in wool, although probably some people may think the Government are; but, while we acknowledge there has been a drop in wool equal to about 1s. 6d. per fleece, we must realise that there has been a great increase in the value of stock, for, while sheep were only worth 4s. or 5s. per head some years ago, they are now worth more than 10s. per head all round, and we ought to be satisfied to take the bad with the good. So while the drop will represent about 1s. 6d. per fleece-that is 61b. at 3d. per pound-there has been a gain of from 5s. to 7s. in value per sheep. Therefore it seems to me we ought to do our best under the circumstances and be fairly satisfied. What is the good of sitting down and saying that because there has been a drop of 2d. or 3d. per pound in wool the colony is going to burst up? No-thing of the kind. We

have too many flourish- ing industries, and this colony is not easily

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burst up. We could not burst it up if we | colony is as prosperous to-day as it ever was ; and I also believe that it is largely due to the wished to do it. Mr. DEPUTY-SPEAKER .- Time is up. good work the Government have done. Now, Mr. WILLIS (Wanganui) .- It is not my in- supposing nothing had been done by the Go- tention to take up unnecessary time, but there vernment in the way of raising money for the are various questions in connection with the purpose of acquiring lands upon which to place Financial Statement that I think it is only settlers, and suppose money had not been right that I should speak about. Sir, the most obtained to advance to settlers at a low rate important question that has been discussed by of interest, and suppose nothing had been done to assist the local bodies in the same this House is the question of the increase of the loans of this colony. This question has become direction, I say the colony would not be as a sort of game of battledore and shuttlecock, well off as it is at the present time. The House and the battledore of finance has been alter- will remember that, when the discussion took nately pitched backwards and forwards; and, place on the question of a further loan of a though a great mass of figures has been quoted, million for the purpose of purchasing lands for I think honourable members are no wiser re- settlers, how lengthy that discussion was, and specting the Financial Statement than they how plainly it was indicated by some members were when the discussion commenced. What that they had no faith in this proposal to raise money. Not only did such expressions of has taken place reminds me of the season when bees are swarming from their hives. These bees opinion come from the opponents of the Go- during the debate have taken the form of vernment, but, I am sorry to say, objections figures, and they have been swarming to such an were raised from our own side of the House as extent that some members have them in their well. Now, one might reasonably have sup- bonnets, and I am inclined to think it will take posed, if those members had been consistent and honest in their convictions, they would some time before those bees are got out. have been found voting against that measure. An Hon. MEMBER .- Flies, you mean. Mr. WILLIS .- No, there are no flies on the But, Sir, it was pitiful to see the result. Why, not even the members of the Opposition had Government, anyhow. But I was going to say, when I was interrupted, that I think if there is the pluck to go into the lobby against it, simply anything this Government can pride itself upon because they knew that their constituents it is the excellent work they have undertaken would have censured them for having prevented by means of the loans. When we consider the further sums being lent to assist settlers. When the division took place, we found two state of stagnation the colony was in when the solitary members out of a House of seventy- present Government took office, and when we four marching into the lobby to record see how year after year the colony was improv- ing, and that the Government were always pre- their votes against that measure, and those pared when it was necessary to raise money for two would only have been too glad if they the purpose of assisting the people and for the could possibly have got out of the difficulty. purpose of acquiring land upon which to place It was only by the Government forcing the division that those two members were com- settlers-I say the Government did their duty pelled to be consistent, and found it neces- when they fearlessly went into the money- market and obtained money for this purpose. sary to vote in the way they had spoken. We We have heard some of the members-candid heard one gentleman on the Government side, friends of the Government-railing at them, who spoke for an hour in the very strongest although these members helped to increase language, condemning this million being raised, the amount of those loans by their votes, be- but when his speech was over he found it con- venient to go home, so that it would not be cause they said they were increasing in a necessary to record his vote. I must say that I way that was most injurious to this colony. They have alternately warned and threat- have a contempt for members who act in this ened the Government, but without effect. way. If a man believes in a thing, why should My opinion is that if those members had he not honestly vote for it ? It should not be a been

consistent, and if they really believed question as to whether he may lose a few votes by it at election time. Members should be this colony was going headlong to destruction, their place was no longer as supporters of the consistent, and record their votes in the way Government, but on the Opposition benches, they have spoken. I believe the money that has been borrowed and that has not been where there is plenty of room to receive them. But what shall we find with regard to those mem- interest-producing is very small indeed ; and bers ? Having once relieved themselves of their never in the history of the colony have non- opinions, we shall find them by-and-by, when interest-earning loans been so small as in the the different measures come up, quietly follow- last ten years. I am not going to trouble the House at length with figures. I would like, ing their leaders into the lobby, and nothing more will be heard of the tirades that they have however, to read the following table with re- hurled against the Government. If I held the ference to the loans raised :- opinion that some members of this House have expressed, I should feel it my duty not only to Native land purchases raise my voice in protest, but I should also feel Land settlement (including Cheviot) it my duty to find my way on to the opposite Loans to local bodies side of the House. I do not believe in these Lands improvement prophecies of evil. My opinion is that this Interest-bearing Investments. £ 649,700 2,075,566 1,205,900 500,000

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2,380,000 Advances to settlers Bank of New Zealand preferred shares 500,000 .. New Zealand consols 459,389 Additions to open lines 625,000 .. District railways Dairy industries £8,444,336 Thus nearly £8,500,000 are interest-producing investments, and, although the money has been borrowed, still the interest to be paid back to the bondholders in London comes into the Treasury from those making use of it, and not from the taxpayers. The increase of the debt during the last ten years amounts to £10,760,895, the net result being £2,316,559, after deducting the £8,444,336 of interest-bearing investments. As a business man, if I could borrow money and make use of it profitably, I think it would be right to borrow large sums-say, £5,000, £10,000, or £50,000-the more money the better so long as the investment turns out well, and I make a profit by it. The same remark applies to the colony. I do not counsel any- thing in the way of wild schemes. I think, however, we can go on safely borrowing so long as we find the money coming back to us, and that the colony is prospering. The business-men and working-people of the colony are in a better condition now than they have been for many years past, and there is little doubt successful borrowing has had a great deal to do with it. From the time of the Government taking office we heard that the colony was going backwards, and year after year we were told that the Go- vernment were hurling the colony to destruc- tion. Before the Financial Statement was brought down, it was almost with glee that we heard certain people saying : " At last the crash has come; at last the colony is beginning to realise what the Government has brought it to ; and what else could be expected from men who have persistently carried on the work of govern- ment in this reckless fashion " The Premier is not the man to bring on a crash, and if any one has known what he has been doing during his term of office that person is the Premier. have very great confidence in him so far as his financial operations are concerned. I believe he has, to a large extent, been responsible for the prosperity that we are enjoying. The colony is so prosperous at the present time that it is the admiration of all the surrounding colonies. Whenever it is desired to point to a prosperous and progressive country, we find New Zealand is referred to. We especially find that England and America are beginning to find out the capabilities and possibilities of this country. If during the past ten years we had been governed in such a bad way as some people en- deavour to make out, surely it would not be in the prosperous condition it is now. The Go- vernment are railed at constantly because some of the heads of the departments have been allowed to go to other colonies because their salaries were too low, and they could do better Mr. Willis by leaving New Zealand. Notwithstanding this, a cry has been raised on account of the proposal to increase the salaries of a number of officers who have done excellent work for the colony. I think there is nothing to justify the

charge of extravagance on this score, and I am surprised when I hear certain members 47,000 of the House threatening to block the estimates 1,781 until the increases have been struck off. Possibly there may be some cases where increases should not be given, but, speaking on the broad question, I think it is only right and fair that men who have worked well and hard for the colony should be given small increases in their salaries. But, although I am pleased to be able to compliment the Government on the successful way in which they have conducted the finances of this colony at a difficult time, there is one thing I cannot compliment them on : I refer to the existing troubled relations between employers and employees. I think that if the Government were wise at the present time they would hold their hands more than they are doing, and would refrain from bringing down measures calculated only to irritate and worry. I was a member of this House when the Conciliation and Arbitration Act was passed, and I was warmly in accord with it. Every member of the House expressed approval of the Bill, and it was passed by unanimous consent. But in the Arbitration Court there has been a good deal of what I consider the over-riding of Parliament. We had frequently before this House the Master and Apprentice Bill, and the Eight-hours Bill, and both of these Bill were, on all occasions, ignominiously thrown out. But what do we find ? That these measures have been brought into Arbitration Court awards - that what this Parliament has rejected has been adopted by the Arbitration Court. The Master and Apprentice Bill, which regulated the number of apprentices for the different trades, although brought up again and again, was thrown out ; and it seems an extraordinary thing that the Arbitration Court should bring into operation measures that this House has rejected. I do not blame the Government for the trouble that is taking place ; I believe, myself, that the Arbitration Act is a good one ; but I believe the Government do not seem to recognise the fact that they have gone far enough. We are now threatened with another Bill that will probably come before the House shortly, and which has agitated the colony until there is a ferment throughout the whole of New Zealand. It is not a question of the employers only, but I am applied to by employees as well, who beg me, by all the means in my power, to prevent any further irritation going on. They recognise that they are comfortable in their situations, and they are satisfied with the wages they are receiving ; but there are a number of men who make it their business to go about getting a few together to create dissatisfaction and discord, and it is very unjust that workers who are satisfied with their employers should be the sufferers. The time is coming when the Government must seriously consider

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- tration Act is a good one. It was passed at a not realise that such is the case, and they say time when we had just gone through a period the time may come, but it will not be in our of strikes, and it was hoped that it would be time. But these trusts are here. I will give successful to avert them in future. But, Sir, an instance in the coal trade. We find the price of coal is altogether out of reason, and the serious flaw in the whole thing is the matter of the Conciliation Boards. The Arbitration Court, in my opinion, has been given a case to show how monopolies are taking terribly fair, although they have taken powers root. In my own town there is a scale drawn which I consider they have no right to. With up of the prices at which coal shall be supplied to the consumer. The merchants who a question of continuance in their billets, and, deal in the coal are prevented from supplying in order to get as much money as they possible at a lower rate, through the threat that possibly could out of it, many of the members the coal companies will not supply them unless have induced the workmen to bring supposed they charge scale price, and so they have to I say that with-grievances before them. charge it. It is a shame, and it is time the out the slightest hesitation. Any one knows Government came to our relief by starting a that the recommendations of these Boards coal-mine, as they tell us they are going to do. are seldom taken. It is said by nearly all I will give another case that goes to show what employers that they prefer to go before the took place. I am Chairman of the Harbour Arbitration Court, and let the matter be finally Board at Wanganui, and we found our Board decided there.

I could bring forward numerous in such a prosperous condition that we were instances in which these disputes have taken willing to give £1,000 a year to those who were place, and where the most ridiculous recom- taxed on their wharfages. A committee was mendations have been given by the Boards. set up, and the committee finally agreed that When the Factories Bill comes before this the wharfage on coal should be reduced from House I shall have something more to say on 2s. 6d. to 1s., thinking by this means that the this matter, and I dare say other members of poorer classes of the community would get the House will have something to say about it the benefit. When this was done, the result too. I do not wish to act in the way of a was that within fourteen days coal was candid friend, but I say what my opinions are raised by the coal-mines 18. 6d. a ton, so in regard to these measures, and I am not one the whole of the £1,000 concession from the to express opinions one way and to act in Board goes into the pockets of the coal-owners. another. As I talk, so do I vote. If the Go- vernment are determined to push on with this tyrannical and worrying system of legislation and I consider it is wrong that such a state of by which injustice is done, and by which in- affairs should exist. We will go further, and dustries are driven out of this country, then it take the " flour trust," which is a big trust. It is time some interference was made. affects every one- the farmers and the poorer An Hon. MEMBER .- How will you vote ? people of the community. An attempt is being Mr. WILLIS .- I will vote as I have voted made- and I believe it is going to be successful before ; and honourable members know how I -to establish a trust that will be one of the voted on some of these measures. One mea- largest that this colony will have. I am not sure before the House last session, of which I divulging any secret when I state what the was a most earnest opponent, was in regard to determination of this trust is. Our own mill the vexed question of the abolition of imprison- in Wanganui not long ago received notice that ment for debt. I have been asked again and if they did not take up shares in that trust the again by men who are now refused credit to trust would take care that the mill would be endeavour to get the Act repealed. These men undersold to such an extent that they would be unable to get credit; the storekeepers not be able to carry on. The miller there re- refuse to give them credit, knowing that they fused. He said that he was perfectly satisfied have no security ; and honest working-men with the price he was getting, that his business who have not the ready money are prevented was a good one, and that he had no wish to go from getting articles they really need. I can into the trust. The trust sent him back word only describe it as one of the most one-sided in effect that, no matter what he thought, it was Acts that ever passed this House. As I pointed a question of what they thought, and they still out before, if a man has only a few articles in insisted that if he would not come into the his house, those articles can be seized for debt ; trust they would carry out their determination but if a man has money, and plenty of it, it of finally driving him out of the place. The re- cannot be seized as actual property, and the sult is that they have reduced the price of flour debtor escapes. What I pointed out to the by 10s. per ton, and the matter is still going House has really taken place, and I think the on, and there can only be one end. One mill time will come when this portion of the Act cannot stand out against the trust, and the will have to be repealed. There is another result must be that either the miller will matter I should like to speak about, and that ultimately have to join the trust or he will be is with regard to the way in which we are a ruined man. I consider that it is the duty of threatened with monopolies and trusts in this the Government to interfere in some way or country. We do not seem to realise this. another to prevent what is taking place, because People generally, when you speak about the not only will the trust raise the price of flour, That is the position in which we are 4.0. placed with our own Harbour Board,

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and the poorer people will suffer in consequence, but the farmers will suffer the most, because if the trust regulates the price of flour they will also regulate the price of wheat ; so that this is one of those threatened monopolies that the whole colony should rise and protest against, and prevent. Then, there is another matter I wish to speak of, and that is with regard to land for settlements at Wanganui. Wanganui

has for many years been in want of land on which people can be placed. The late John Ballance was the instigator of the Land for Settlements Act; and if there is any place in this colony that deserves to reap some benefit from that Act it is the Town of Wanganui and district, for which he was so long the member. We know that there is a cry throughout the colony for more land for settlements, and those members who are opposing loans are doing their level best at the same time to try and get land purchased in their districts. But they ought to know that without a loan the land cannot be purchased ; and I think the time has come when Wanganui is entitled to a fair proportion of the benefits of that Act. Not only should an arrangement be made under which some of the land in that district should be purchased back for settlement purposes, but I think it is high time that the Native Department or the Lands Department woke up with reference to obtaining the Native lands that are at present held by the Crown and cutting them up in such a way that settlement can take place. In this connection I might mention the following blocks: 500 acres, mouth of the Kai Iwi-good agricultural ; several blocks, containing 63,732 acres, Tauakira, Te Tui, and Taonui Nos. 1 and 2. Taonui Block No. 1 contains 7,000 acres, and is only a short distance from town, and the land is good. The Tauakira Block No. 1 is about seventeen miles from town, and is good land for settlement, and contains 30,000 acres. When we consider that the Government have held these blocks for a number of years, I think it will be admitted the time has come when something should be done with them in the way of settlement. Now, as I say, not one single acre within thirty or forty miles of Wanganui has been acquired for settlement, and therefore I maintain it is high time that Wanganui had its fair share. There is only one other matter with which I intend to deal, for, as I have said, I am not going to occupy the time of the House unnecessarily. This other matter, in fact, furnishes the very reason why I got up to speak in this debate. I am referring now to a statement that was made by the honourable member for Bruce in the course of his speech. Speaking earlier in this debate, the honourable gentleman stated : "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." And the honourable member for Bruce then went on to charge the Government with bribery in giving a subsidy to the River Settlers' Company in Wanganui. Continuing, the honourable member said : "I Mr. Willis 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." Mr. HUTCHESON. - Is the honourable gentleman allowed to quote from Hansard of this session ? Mr. DEPUTY-SPEAKER. - The honourable member has no right to quote from Hansard of this session. He may only quote from notes that he himself has made. Mr. WILLIS. - I am quoting from notes. There was a charge made against the Government that they have been guilty of bribery by granting an additional subsidy to the Wanganui River Settlers' Company, and that statement, I say, is utterly incorrect, and I am surprised the honourable member should have made it. The honourable member led off by stating there were many corrupt acts on the part of the Government, but the only two he mentioned were this one in reference to the Wanganui River Company, and one which referred to the district of another member of this House. With regard to that steamer contract, it is only right, as this charge has been made, that I should make an explanation. Many years ago Messrs. Hatrick and Company were given a contract for the carrying of mails up the Wanganui River. They carried out the service remarkably well. They put a great deal of enterprise into it, and, generally speaking, there was no cause of complaint so far as the carrying-out of the work was concerned. But the settlers themselves complained that the charges were high. Well, I will say, in justice to Messrs. Hatrick and Co., that these charges were in conformity with the contract entered into by the Government. But the settlers considered the charges were unreasonable ; and not only so, but the fact of the charges being high was so serious to them that after considerable trouble they formed themselves into a company and purchased a steamer. When the contract was entered into with Messrs. Hatrick and Co. there was an

undertaking in that contract that, in the event of the service being further extended, that contract also should be given to Messrs. Hatrick and Co. Well, Sir, during last session the question was put to the Premier in the House whether he would grant to this new company the right of competing for tenders for the conveyance of the mails, and he said that he would, and it was considered as a pledge given by the Premier. On the strength of that promise certain arrangements were entered into by the River Settlers' Company, and representations were then made to the Government for the right to contract for the mails. But a reply came back from the department to the effect that in the original contract it was agreed that a continuation of the contract for a further period should be given to Mr. Hatrick. Well, Sir, the River Settlers' Company considered they had a very great complaint ; they considered they had the

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to that amount has been taken from the people The competition that had taken place with the of the colony. That is equal to \$7 10s. per subsidised boat had brought freights down to a head of our population, or £37 10s. on the head price at which no steamer company could exist ; of every breadwinner in the colony. I do not and while the other company had a Government subsidy to exist upon, the rival company had think any colony can stand taxation like that very long. To enable the colony to be kept nothing but the low rates of freights and fares. going for the past few years large sums of money Well, the result was that the Premier was ap- have had to be borrowed, necessitating the pay-proached, and he said at once-and I will give ment of heavy interest. I consider, Sir, it is him every credit for his honesty in doing so- " My promise has been given that tenders should time this enormous borrowing was put a stop to. What has been done with the money ? The be called for, but as I am unable, owing to the previous contract, to call for fresh tenders, I present Government has held office for ten years, and in that time have increased the will do the only thing that remains in my power public debt of the colony by twelve millions -I will give them, recognising the fact that they are a young company who have brought sterling; and, if the Premier is allowed to have his own way, he will borrow and borrow down fares and assisted the settlers, and done a until it will take the whole of the revenue to great deal in the interests of the Wanganui pay the interest. There is very little to show people, an equal subsidy to that of the other for what has been borrowed. Then, I de- company." Well, Sir, I say I consider the Premier did the right thing; there could have been sire to say this: It is stated in the Budget that it will not be long before Auckland and no bribe, because there was no one to bribe. Wellington will be joined by a steel band, and The question has been raised about the election ; I wish to show the House how that particular but, Sir, this took place some months before Mr. Hutchison resigned his seat, and the election was work is being carried out. It is a matter in which I have taken a deep interest. Some not then thought of. And, that being so, I ask, eighteen years ago, now, Mr. Rochfort surveyed How could any bribery have been intended ? Are the railway-line, and in that time the line has the Government to be prevented from doing what only advanced twenty-three miles. In the last is just and right in every case because they eight years the engine has not advanced a are to be told afterwards it is bribery ? I say it was nothing of the kind, and if ever the Govern- single yard. They have been stuck at the ment did right they did so in this case. No Makohine Viaduct for years. A contract might doubt a mistake was made-I believe the Pre- have been let at one time to a practical con- tractor, but the Government would not give it mier himself will acknowledge that-in giving him. If they had allowed that man to do the an extension of the contract to one firm ; but, work it would have been finished in a compara- having given his promise, I say the Premier tively short period, but they desired to have only did what was right, and what was just, the work done by co-operative labour. Co- when he gave an equal subsidy under con- ditions that were all favourable to the people operative labourers were accordingly set to living away in what is known as the back work to clear the scrub and to excavate the foundations for the concrete piers, and I am blocks. I will ask the honourable member for Patea whether he will find a single man in sure if the member for Masterton, Mr.

Hogg, Raetihi and Pipiriki and in the immediate had been on the scene he would have been district interested who will state that this was delighted with the way the work was carried on. He would not have been able to draw a piece of jobbery or a piece of political cor- pathetic pictures of machinery taking the bread ruption. There was a petition signed and sent to the Government by nearly every man, I be- from working-men. There was no machinery lieve, who lived in the Waimarino district, to hoist the clay out of the way. The work- begging the Government to grant this addi- men were throwing the spoil on to a bench, tional subsidy so as to enable the Settlers' two men threw it from that bench to a higher Company to go on. Sir, I have endeavoured one, and so on until it reached the top, and then it was carried away by two men with to explain as far as I could this matter; and wheelbarrows. The proper way would have I am not going to detain the House any further, been to procure a winch, a donkey-engine, and except to say that I resume my seat in the firm conviction that the Government have been a basket. doing excellent work, and, so far as I am con- cerned, I have increased confidence in their engine. capabilities for carrying on the business of this foundations were laid. Then, what has been colony. Mr. HASELDEN (Patea) .- Sir, I did not the effect of the work on the settlers' roads? intend to speak to-day, but I have been forced The Government were so eager to connect this into doing so by the present situation. At any steel band between Auckland and Wellington rate, I do not intend to weary the House by that it was decided to cart all the railway material beyond the viaduct ; the consequence going into an array of facts and figures, as so many honourable members who should be more is that the roads have been cut up so much that the mail-coach cannot run, and the mails able to discuss the finances of the country than have to be carried on pack-horses. The roads I am have already done so. However, I wish have been destroyed to such an extent that to say that one thing strikes me, and that is settlers actually cannot get stores to their that the revenue of the country has increased Mr. HALL-JONES. - They had a steam- Mr. HASELDEN .- Yes; after the concrete

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rate of 7s. 6d. per hundredweight, and it only takes seven rails 35 ft. long to make a ton. Imagine the hundreds of tons that have to be carted, and the state of the roads at the end of the winter. If there had been a practical man in charge of the viaduct he would have run an - aerial tramway across the gorge, an engine could have been taken across in pieces, rails would have been laid down, and the train would not have been detained for a single day. Mr. HALL-JONES .- Is Mr. Sneddon not a practical man ? Mr. HASELDEN .- I do not know anything about him. I am a practical man myself. Mr. HALL-JONES .- Question. Mr. HASELDEN. - Yes, I am a practical man. I say that a wire rope might have been thrown across-there is one across the Rangitikei River 20 chains long, and a rope could have been put across the Makohine Gorge; but we find the whole of the material was carted round by the road. I have seen engines and quartz- crushers taken over worse country than that ; and I say there is no reason at all why the rail- way should not have carried the material to the end of the viaduct and then run it across on a wire rope. At the present time they are so very eager to complete the railway there that nearly all the work is done by co-operative labour, which every one knows costs three times as much and takes three times as long as the ordinary contract work. Even the men themselves are dissatisfied with it, and complain that they do not get fair-play. That is the fact about the Makohine Viaduct. And why is this? Because they want to employ co-operative labour. Every co-operative man is a vote for the Government, because he dare not vote otherwise. I say they dare not do it. Let the ballot-box next time be taken from the polling-booths to Hunterville or Patea, and the votes counted together with all the others, and they will see where the co-operative vote will be then. I can assure you that not only the railway-work, but the whole of the co-operative work of the country, is costing one-third more than if it were done by contract. I know what I am speaking about. Some are not making a living-wage, others are making from 10s. to £1 a day ; and I ask, Can we in the present state of the finances of the country afford to allow men to make £1 a day? But

I suppose so long as we can get loan-money so long shall we keep up the false prosperity of the country by paying high wages, and so long as you do that so long will you have the support of these men. There are no less than six thousand co-operative labourers in the colony, and the men are kept moving about from place to place according to the elections. As I have mentioned the word "election," I will go on with it, and I will correct the honourable member for Wanganui about the Wanganui River mail-subsidy at once. I had no wish to mention it in the House, because I want the settlers' boat to get the subsidy. I will tell the honourable member for Wanganui the facts of the case. It is quite true what he said about Mr. Haselden on his boat. He received £750, because he was one of the "right colour," to carry a mail that a Maori had done previously for \$75; no tenders were called for it. How could the settlers' boat compete with that, when Hatrick got £750 for carrying mails that did not cost him a penny ? The settlers thought it was not a fair thing; they did not apply for £750, but simply for a share of the subsidy, and were refused. They then sent a petition down, and they sent the manager down, and he was refused ; and they sent delegates down, and they were refused ; but the moment the Government nominee at the last election visited Raetihi and found that he would not get a vote unless the subsidy was granted -- An Hon. MEMBER .- That is not correct. Mr. HASELDEN. - It is correct. Three days afterwards the subsidy was promised ; but they have not got it yet, and that is why I did not mention it, because they ought to get it, and it has been promised. I will go further now, and will say that there is a worse case of bribery and corruption on the part of the Government, and that was buying the Aberfeldie vote. A bargain was struck. "So-many votes for the Government nominee, and \$2,000 shall be put on the estimates for a bridge over the Manga-whereo Stream." The settlers carried out their part of the bargain. Not only did they vote themselves, but they got their friends in other districts to vote at the Aberfeldie booth, so as to swell the numbers. They are thoroughly ashamed of themselves now ; but what can you expect when the Government of the country will stoop so low as to bid for votes at by-elections. It was a block vote to the Government nominee, where always up to that time the block vote had been for the Opposition member. What bought them over? It was the promise of \$2,000 for a bridge. An Hon. MEMBER .- When was that ? Mr. HASELDEN .- Last election. Mr. HALL-JONES .- They claim to have had the promise for years. Mr. HASELDEN. Yes, promised ; but not the slightest chance of getting the promise fulfilled until it was found that it would influ- ence the election. Have they got it yet ? An Hon. MEMBER .- Yes. Mr. HASELDEN .- I am very glad. They will vote for me next time. That is another forty votes for me at the next election, and you will find that I shall come back here with a big majority. I am now coming to the speech of the honourable member for Auckland City (Mr. Napier). In the first place, I may say it has been stated in the Auckland papers that his speech was the talk of the lobbies. For my own part, I did not hear it mentioned in the lobbies further than that members expressed themselves as being very much astonished at one of the rank-and-file being put up to reply to the honourable member for Hawke's Bay, Captain Russell. Of course, as a lawyer, he did his best, and, having no case, he abused the other side; but he also made mistakes. First, on the subject of our wool export. I am

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as most things. The honourable member said that wool was a mere paltry item as compared with butter. Little he knows about it. That was one of the points he made in his so-called brilliant speech. Now, I find that butter was exported to the value of \$780,000, and wool to about five millions. I have not got the exact figures. It must be remembered that wool is just at present at a very low price. Had it stood at the ordinary figure it would have reached three-fourths of the total exports of the colony-about nine or ten millions. To-day it is 25 per cent. lower than the lowest point that it has been for the past twenty-five years. And we are told by the Premier in his Budget that, in spite of the low price of wool, he sees no reason why the land- tax should not increase year by year. Sir, if anything would induce a man to reduce the land-tax, and thereby assist the farmers, it would be the terribly low prices of the produce of the country. I can

assure the Government that unless they improve the roads it will not pay the settlers to cart out their wool, and the wool will be burnt or thrown away in the back blocks. Now, the honourable member for Hawke's Bay, Captain Russell, when he was speaking the other night, said that, if ever a monument was erected to Mr. Seddon, at the foot thereof would be written, " He bribed the people." He might have added, " He corrupted and intimidated the people." What have the present Government to show for all the millions expended? Not one railway finished, not one arterial road carried through. They have not created one single happy and prosperous settlement out of the whole of this money spent in the colony not one, from the North Cape to the Bluff. The settlers are every- where crying out for roads and bridges. As to their borrowing policy, if it had not been for several members of this House coming forward and making up their minds to put a stop to this enormous borrowing we should have had pro- posals for borrowing no less than six millions of money. I am well aware that such lines as the Main Trunk Railway, for instance, would never be completed without borrowing, and I would not for a moment oppose the borrowing of money for necessary works when the money-market is favourable. If that railway was finished it would tap the back blocks, and the timber that is now being destroyed would be cut up, and would nearly pay the whole cost of the line. Then we would have prosperous settlement. Then, the people would be able to make their farms pay, and they would be enabled to get their wool and other produce to market. Now, although the prospects of butter are most brilliant this year-and they were never better-how long will it last ? What has brought down the prices of our mutton and wool ? The Hon. the Minister of Customs, I think, mentioned to-day that the carcasses were worth so much more that it balanced the low price of wool. Sir, there is only one reason for that, and that is the foot-and-mouth disease in the Argentine Republic. If it had not been VOL. CXVIII .- 9. instead of 16s. The Argentine Republic last season sent Home 3,400,000 as good or better carcasses of mutton than we can send. Should the Argentine take up the butter business, then butter will drop perhaps 2d. per pound. Then, I ask, how will the settlers pay the enormous rents that Government are charging them for their dairy lands? In spite of the hard labour of their wives and families they will not be able to pay the rents, and we shall have to bring in a Fair Rent Bill that, instead of raising the rents, will reduce them. The farmers are not properly represented in this House.

4.30. There are only seventeen of us here out of the whole number of members. Now, with regard to the railways and railway freights, the Minister for Railways has made concessions to the South Island - of course, this is practically a southern Ministry-of no less a sum than £46,000 more than the concessions granted to the North Island. Why should the South Island have that extra concession ? The re- ductions which have been made in railway- fares are not of the slightest use to the farmer, or to the business man, or to any one with a home in the country. The charge for return tickets has not been reduced at all. The only reductions made have been in the single fares, and that merely benefits the tourist and com- mercial traveller. It certainly does not benefit the farmer and settler. Why should not the Minister allow excursion tickets in the winter time at a low rate? Then, we have heard a great deal about the penny postage. That con- cession has been of no use to the farmer. Yet the farmer has to find everything. The increase in departmental charges during the past ten years has been \$1,200,000-that is, £10 per head increase on the population in the same time. Yet we find new departments and new officials of the right " colour " on every hand. I saw it truly stated in a paper the other day that you cannot turn round without striking an official of the right "colour." I did not come prepared to speak to-day or I should have brought some figures, but I should like to compare the cost of government in this colony with the cost of government in Ontario, Canada, which has a population of 1,650,000. The figures are as follow :- £ Governor's salary 2,000 Private Secretary and A.D.C. 240 Attorney-General 1,000 Chief Secretary and Premier .. 800 Minister of Education 800 Treasurer and Minister for Agri- 800 culture Minister for Public Works 800 £6,440 Contrast this with the cost of our Govern- ment, which is over \$20,000 a year now, and still crying for increases. We are increasing our Governor's salary until it amounts to nearly £10,000 a year. Then,

our Premier is receiving \$2,000 a year. Why cannot a country like this be run on more business-
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like lines ? Surely we can do so, if Ontario, | trouble with his boys, or a factory with the with a much larger population, can. There was never so much reckless expenditure or so many increases in salaries as under the present Government. If this country were a commercial concern, run by business-men, what would they say of the Budget that has been presented to us? They would suspend the managers-who are the Government-and insist on economy and retrenchment. Sir, I do not pretend to understand the figures in the Budget, nor do I think any member understands them. I think it is surely possible to set out the position more clearly-to put down the expenditure on one side and the receipts on the other. Then, I am sure we should find that there was not a penny on the credit side, but a deficiency of nearly a million and a half, instead of the imaginary surplus. But the figures are so hashed up that I do not think a single member can make head or tail of them. We have heard a lot about the prosperity of the country, but what does this so-called prosperity really mean? It is nothing but expenditure on public works and salaries out of loan money. Is our population increasing ? No ; it is decreasing. Is there any immigration ? No; not a soul is coming into the country. I know a man who, during a residence of twenty-seven years in the colony, made some thousands of pounds, although he started almost as a working-man. He had lent his money out on mortgage, but is now calling it in on account of the mortgage-tax, and intends leaving the country. I say, Sir, that capital is leaving the colony, and what is not being withdrawn is lying idle in the banks. It was suggested to the Premier that he should borrow in the colony. What was his reply? Why, that the landed proprietors who owned the money would not lend it for the purpose of confiscating their own land. That was the word he used, "confiscating," and that is the correct word to use-not "acquisition" of estates. The country must be in a bad way when people will not lend money, but let it lie in the banks. There can be no feeling of security. An Hon. MEMBER .- That yarn was played out years ago. Mr. HASELDEN .- It is a fact for all that. Would any honourable member care to invest £5,000 to start any new industry ? My opinion is that not one of them would do so. What has the Arbitration Court done ? Instead of bringing about an era of industrial peace as it was supposed to, we have had nothing but industrial war ever since it started. The honourable member for Wanganui says he will vote against it, though he is such a strong Government supporter. We should repeal the present Factories Acts, the Workers' Compensation for Accidents Act, the Conciliation and Arbitration Act, and the Public Revenues Act, and start afresh. You are ruining the country as fast as ! you can, and class is being set against class. The Premier said that the employers and the employés had better shake hands ; he now sees the hornet's nest he has stirred up. There is not a hairdresser in this town who is not having . been raised by the Premier, when he said we Mr. Haselden hands ; and farmers will not employ married men on account of the Workers' Compensation Act. Sir, I am glad to see the other side waking up at last to a sense of their responsibility. Stronger and more adverse criticism of the Government has been heard from that side of the House than from this, and if those honourable members are half as brave as their speeches imply, if they have the courage of their convictions, we shall have them on this side of the House before the end of the session. Mr. FLATMAN (Geraldine) .- Sir, I do not know whether the honourable gentleman who has just sat down intends to stay here or not. He says, When all the misfortunes which he has mentioned have overtaken New Zealand what shall we have to do? He further says, "We, who are the backbone of the country, will have to 'pay the piper.' " My own opinion is that if the honourable gentleman sees others leaving the country he will not be long in "skedaddling." Neither he nor the class he represents would stop here were it not for the fact that they are better off than they would be elsewhere. That is just the reason. The honourable gentleman put me in mind of some one who is on the lee side of a stone wall 10 ft. high, and cannot see over to the other side. The honourable member sees only one side of politics, and he speaks in the interests of one party, and that party is the landowner and the

money-lender. The honourable gentleman speaks in the interests of these people entirely. I say, Are we, as a Christian country, going to neglect the workers and the tillers of the soil? He says, let the employer and the worker come forward and shake hands. Some employers will not shake hands with the workers unless they can get them to work for nothing. But, Sir, let every man participate in the benefits of the country in which he lives. Is it reasonable to suppose we could progress as we are doing if our laws were in such a bad condition as the honourable gentleman says they are? He himself says he cannot make head or tail of the figures in the Budget, and he did not believe any member of the House could ; yet he approves of the speeches from members on our side of the House, which have taken the Government to task for borrowing and squandering money. If what the honourable gentleman says is true, those speeches are not worth anything more than the speech he himself has just delivered. He must have better logic than that before he will convince the country that we are going to the dogs at the rate he says we are. I am a farmer too, and I am one of the conscientious seventeen - at least, I hope I am. At any rate, all I am making in New Zealand I am making out of the land ; and so long as I represent a district in this House I shall take care that all classes of the community are treated fairly, and I maintain that we cannot afford to throw away and repeal all our labour laws, as suggested by the last speaker. We need not go faster than is necessary, and the warning note has already

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would have to go slow and see how the Acts of the colony. The honourable member for would work, and that the people should not expect too much. And I am of that opinion too. But take the report of our Labour Department for this year and we find that in New Zealand 1,320 married and 1,798 single persons, having dependent upon them 5,432 persons, have been assisted by the department. And I would like to know what would be the position of the country if we had not that department to look after these people ? The colony would be flooded with swaggers, as it was in 1886, when Mr. Mitchelson, as Minister for Public Works, offered 3s. 6d. a day to able-bodied workmen, and 3s. and 2s. 6d. a day for men who could not keep up with men who could make 3s. 6d., and soup-kitchens for those who were not considered worth 2s. 6d. Our policy is to allow the people to make their own soup with the money they have earned. We need not go back to that condition again. We find that of this number 519 were sent to private employment, and 2,605 on to the Government works. The majority of those who were relieved were labourers and miners, and not tradespeople at all. The tradespeople can find plenty of work, and our manufacturers have been very busy all the time. We find, again, there are forty thousand males and thirteen thousand females at work in factories. And what do the returns show? The honourable gentleman says we are not progressing-that we are going back ; but to show the number of hands in factories are increasing more in New Zealand than in New South Wales I give the following figures : New South Wales had, in 1891, about fifty thousand factory hands, and in 1900 only sixty thousand ; yet in this country, under the Act of 1894, there were forty-eight thousand hands employed in factories for the year ending 1889-90, and for the year ending 1900-1901 fifty-three thousand an increase of 4,522 hands for one year. If our labour laws had been one-half as bad as they are made out to be this increase would not have taken place. The honourable gentleman says, " Will any one invest in manufactures in the colony to-day? " Of course they will, and they have been so investing, otherwise this increase would not have taken place. We do not wish to see one section of the community get the better of another, but I say we ought to support each and every section while we hold a seat in the House. The honourable gentleman will go to the labourers and try to get their votes at the next election, and why should he allow them to be neglected during his term in the House? We have all a right to legislate for every section of the community, the rich and the poor alike. A great deal has been said about the amount of money that has been squandered, and so on. How has the money been squandered ? No honourable member who has spoken has yet shown how the money has been squandered. No one says it has been squandered in his

dis- trict. All I know is that whatever the Govern. ment has borrowed and whatever it has spent has been done at the instance and support of the various members of the different constituencies Ashley said the other night that the finances of the colony were being recklessly dealt with ; but let that honourable gentleman turn to a speech he delivered a few sessions ago. A small sum was on the estimates-I think it was \$250-for advertising our frozen meat at Home, and the honourable gentleman said on that occasion, " Let the Government be liberal, and put £5,000 on the estimates for the Agent-General to advertise our frozen meat." He is one who advocates spending money, and then comes and lectures the Ministry for reckless expendi- ture. His speech was the most illogical I ever read. The only sound part of it, to my mind, was where he complimented the Minister for Railways. He is reported to have said,- "He complimented the Minister upon his administration, but he held that rolling-stock, buildings, and repairs should be done out of revenue. Had this been done last year the surplus on the working of the railways would not have been nearly so large." That is logical argument, and that is the proper way to talk to Ministers; it is sound argument, and I compliment him on his re- marks. He spoke also about the setting-up of Royal Commissions. He said, "This alarmed one, and gave the Opposition a chance of bringing charges of bribery and corruption." Now, if the Commissions had all been taken from one side of the House his argument might have had some weight ; but there was a very fair sprinkling of members from each side of the House, and therefore there was no need for the honourable gentleman to raise that storm in a tea-pot. What he might have said was that " the setting-up of so many Commissions without me is alarming"; but there seems to be a large amount of petty jealousy on the part of the honourable gentleman. Had he been called to take a place on one or more of the Commissions, then no doubt he would have been satisfied, and the country would not have heard of his objection in that respect. Now, as far as I am concerned, I did not know until a letter reached me asking me to take a position upon the Rivers Commission that I had been appointed to that Commission, and when I accepted it I did my best in the in- terests of the colony ; and if I am asked to do so again I shall probably accept the office and do the work, although honourable members all round the House know that after one has paid his expenses out of the allowance of £1 a day there is very little left. If one has to leave a person in charge of his business while he is away, I ask, What has a member left out of £1 a day for himself ? He will in many cases be money out of pocket. Where does the bribery come in, as the honourable member for Ashley suggested, I should like to know? I say that the Commissions have done good and honest work, and that it was necessary to appoint them. Well, Sir, we have been told from various parts of the House that we need fear no rivals in this colony in regard to the disposal of produce, either north or south, but I say we have to look to our laurels. We find that Canada is sending

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to Britain. They are practically making a house-to-house canvas, selling Canadian pro- duce, and the result has been that an enor- mous increase has taken place within the last few months in their exports, and good must result to that country. Now, Sir, at public meetings the honourable gentlemen who sit on the Opposition side of the House talk of farmers being more self-reliant. They say, " Let them depend more on their self- reliance"; but I ask, How can they maintain that position ? They cannot keep up with other countries unless they have the help of the Go- vernment. We know that other Governments are assisting their settlers. I say we cannot afford to go lone-handed, and must as a com- munity obtain the assistance of the Govern- ment if we want to maintain our export trade, if we want to keep up our good name, and if we want to keep up the annual amount pro- duced in this colony. We shall have to follow the example of other countries, and must send out agents to canvass in the same manner as Canada is doing at present. We ought to have sent Mr. Gow out long ago. He is a gentleman who is highly qualified for the mission he is on. I have known him for many years to be a representative of one of the best firms in the colony. There is too much detention in his case-he ought to have gone twelve months ago-and he

will have a lot of up-hill work as compared with what he would have had if he had started away sooner. Take, for instance, our rival the Argentine Republic, which was mentioned by the honourable gentleman who spoke last. What were their shipments in 1900? No less than 2,420,167 tons of wheat, 740,685 tons of maize, 201,093 tons of linseed, 39,626 head of live cattle, 169,514 head of live sheep. But, as the honourable member who last spoke said, if it were not for the foot-and-mouth disease there would have been probably three times the number of cattle sent alive from the Argentine Republic to European markets. But, independent of these live cattle, they sent Home of frozen mutton no less than 2,372,969 carcasses, and they expect this year to ship 3,250,000 carcasses. Then, again, we find they sent Home of beef 261,365 quarters, and they expect that to be increased to 368,000 quarters this year. Why, Sir, it shows that we must be up and doing. We find also that their labour costs only about £2 a month and found. Germans, Italians, and that class of people flock there in harvest-time and do their work very cheaply. We have therefore to look about us and see that we are not run out of the British market by the Argentine and other countries. In butter the Argentine sent no less than 2,300 tons, and of tallow 25,000 tons. We know that they have a climate not nearly so good as we have in New Zealand, that their cattle are subject to diseases which we know nothing of, and that their lambing is probably brought down to about 30 per cent., while ours will run up to 80 or 90 per cent. We thus have that advantage over them, and also the advantage of I to proceed any further with this railway-line. Mr. Flatmin world; and I think we ought to push our goods and wares into the world. One can safely say the Government is perfectly right in the effort which they are making in the direction of either building or subsidising steamers. I question very much whether it is the right thing for us to erect or spend much money in cool-storage in South Africa. I believe that Britain is the place we should look to, and that we should try to deliver our stuff in the English market. The African market, no doubt, will be good for some years, but as soon as ever peace is proclaimed in South Africa they will produce their own stuff, and we must not let go our hold of the British trade. There is one other thing I would like to speak about, and that is the Midland Railway. Sir, the Opposition put great stress upon the position in which the debenture-holders find themselves. Now, I think if the debenture-holders get anything like what has been recommended by the Commission they may consider themselves fairly well treated. It is all very well for us to say that as a colony we should pay these debenture-holders their demands. It may be right or it may not be. But at the same time that is not the question. The colony gave them no guarantee when they contributed their money at the call of the company. It appears that the total expenditure of the Midland Railway Company has been £1,108,628, while on construction and equipment only £654,411 was spent. The rest, £454,217, was swallowed up by commissions and salaries and in securing capital. We find the amount realised by the company from Government land was \$313,000, which was nearly \$50,000 in excess of that which the Crown estimated the land would yield to the company. After all is said and done it appears to me, taking 5.0. the amount raised by the land-grant to be £313,000 and the selling value according to the Commission's report to be £192,833, that the colony provided \$120,000 in excess of the selling value of the line; and to that has to be added \$38,000 that was found for the company by the colony at the time of construction. That means a total loss to the colony on that line of \$158,000. and should the distribution be as suggested by the Commission the net loss to the colony will be \$92,631. I have been over the line, and find that the earning-power of the railway now is about £4,000 a year, and I really believe it would be far better if the colony were to drop the Midland Railway and spend no further sum on its construction. It is contemplated the piercing of a tunnel near the Otira Gorge of about seven miles long; and, after you get through that hill, what do you find? For miles and miles there is no sign of a bit of timber that is worth carrying away; there is no sign of minerals, and no sign of any land fit for farming. There is only land that probably will carry a sheep to every three acres; and some of it not that. And I maintain and believe it would pay the colony better now not

I do not believe it will ever pay, and I think it would be in the interests of the colony if we were to drop it altogether. An Hon. MEMBER .- What about the Maruia Plains ? Mr. FLATMAN .- What is the use of the honourable gentleman talking about the Maruia Plains ; there are ranges of mountains between them and the railway. While speaking on the question of the railways there is one thing I would like to refer to. I think the honour- able member for Bruce was very unfair in saying that the Hon. the Minister for Railways had allowed Mr. Hudson, one of our best men, to leave the service. Now, I happen to know something of the facts myself, and I do not think money would have kept Mr. Hudson here. He had trouble which none of us wish to face-deaths in his family, of his nearest and dearest relatives-and he was advised to take a change. The honourable member makes use of this as an argument against the Ministry, and said they had not treated the colony fairly in not trying to retain the good men. I would like to have seen Mr. Hudson retained, because I believe. he was a useful man, and a man to whom the colony could have afforded more salary to have kept him. However, I believe it will not be many years before we see Mr. Hudson back again with us, and, after he has recuperated in the other colonies I shall be very glad to see him return, and I feel sure the Hon. the Minister in charge of the Rail- ways will be glad too. Sir, I would like to see more done in regard to forest plant- ing, which was referred to by my honourable friend the member for Waikouaiti this morn- ing. There has been some mismanagement in the forest-tree planting in this colony, some way or the other; either it is that the trees have not been chosen to suit the climate, or there has been some other mistake made, al- though I cannot really tell what it is. We find from returns that altogether 18,337 acres have been planted, and this has cost the colony about \$56,717. The present value of that is only about £66,262. I say if that work had been properly managed, and looked after in the manner in which it ought to have been, the value should have been doubled by this time; and I do sincerely hope we shall see something better done with our forest-planting than has been the case hitherto. The honour- able member for Waikouaiti, in his speech this morning, said that few of the hardwood trees of Australia were to be found in this colony. The honourable gentleman was quite right in that statement, and what we want is to get that timber planted. We are now getting timber from Australia for our railways and bridges, and we should plant trees that will be useful to the colony in the future, as these hardwood trees would be. Under the Forest Trees Plant- ing Encouragement Acts of 1872 to 1879, grants of land were given to private owners for tree- planting, but it was a mistake, for the Govern- ment now find they have no hold over these plantations, which, in many instances, are being cut out, and the land laid bare. Yet the private owners received compensation by way of land-grants for planting the timber. I say, then, the colony should have retained some hold of that timber : it should have been held for the benefit of the colony, and not for the benefit of those upon whose estates it was planted. I also notice that in the Statement there is a remark about the rebate to Crown tenants. The Right Hon. the Premier has promised, I think, to take some action in that matter in the way of amending the law, or perhaps abolishing it altogether. Well, I think that would be an injustice to the Crown tenants. The honourable gentleman has probably made the promise in a weak moment to some town member, who does not understand the diffi- culties of the country settlers. Some people imagine it is a very easy thing to get a living off the land, but in so thinking they are labour- ing under a mistake. If these people were to. undertake the work they would find they have to work very hard indeed to get a living, and that, in consequence of the present price of wheat and wool, it would take them all their time to make ends meet. Therefore I say, Sir, that the Crown tenants must receive some con- sideration. The member for Auckland City (Mr. Fowlds) has no doubt brought pressure to bear on the Premier on this point, and I am sorry the Premier has given way. That honour- able member, when speaking on the subject of the remission of Customs duties, said he had written to a number of Auckland grocers on the matter, and that they said the consumers were receiving the benefit of the remission of taxation granted through the Customs. Mr.

ELL .- So they are. Mr. FLATMAN. - How does the honourable gentleman know that ? Mr. ELL .- I know from my own bills. Mr. FLATMAN. - The honourable gentle- man's bills are a mere cipher compared with the rest of the colony. Will the honourable gentle- man say the people get the full benefit of the 4d. remission on tea ? Mr. ELL .- There was only 2d. Mr. FLATMAN. - I beg the honourable gentleman's pardon. There was 4d .- 2d. last year and 2d. previously. I ask the honourable gentleman if the public are getting the full benefit of that ? Mr. ELL .- Yes. Mr. FLATMAN. - Oh, no, they are not. How much better off is the honourable gentle- man himself to-day through that remission ? Nothing. An Hon. MEMBER .- What about kerosene ? Mr. FLATMAN. - An honourable member asks, " What about kerosene ?" The whole of the duty on kerosene was remitted, and it be- came dearer than ever. A few months after- wards it was nearly double the price at which it was selling when the duty was taken off. Sir, the honourable member for Auckland City (Mr. Fowlds) said there were 110,000 land- owners in the country, and that, even taking the large estimate of 365,000 as earning their living on the land, that left 407,000, which was more than half the population of the colony,

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wish the honourable gentleman was here to tell me how many of that 407,000 could say they did not derive any benefit from the land, either directly or indirectly. Take, for instance, a commission agent living in Wellington. Pro- bably he is never out of Wellington ; but as he is collecting interest on mortgages, and so on, is he not making his living out of the land ? And so the thing goes on. There is some one settled in a snug house, and he is the cus- tomer of a tradesman in town who may be lured into thinking that the man receives no benefit from the land ; but probably his money is invested in mortgages on land, or he may have a farm that is let to a tenant. I do not believe there is 1 per cent. of the population but may be traced to receiving some benefit, directly or indirectly, from the land ; so that question need not be raised in debate at all. We need not raise the question of town versus country ; it would be far better for us to work together for the benefit of the colony as a whole, and to put such questions on one side. I do not feel in the humour to continue. As many honourable members are aware, I have been laid up with a bad cold, and do not feel fit to go on ; if I did I would be very glad to do so, as there are several other matters I wished to speak on. I hope and trust that, after all that has been said by some extravagant honourable members on our side of the House, this colony will not be allowed to stop for the sake of moderate borrowing. Why, Sir, the best baro- meter we have, I believe, is the income-tax, and the income-tax has risen £35,943 since 1896; and there are none who will pay income-tax unless they are liable to pay it. That is the best barometer we can have; and I maintain that it shows the colony is in a prosperous condition, and that, though there is need for the Government to be care- ful-and that warning came from the Go- vernment benches even before we saw the Budget - the country has not to thank the Opposition, or the members on our side of the House who have spoken harshly of the Government, for the advice to "go slow." The warning was first sounded from the Go- vernment benches, and we all heard it, and we all understood it ; but those gentlemen no doubt thought they would gain kudos by sounding the warning afresh when it had already been raised, and was understood by every unbiassed person in the House and in the country. Gentlemen, I have to thank you for the way you have kindly listened to me, and only wish I was in a fit state of health to continue for my full hour. Mr. PIRANI (Palmerston) .- I do not sup- pose there has ever been a debate on the Financial Statment in the history of the colony when there has been anything so lame and so impotent, so far as the Government side of the question is concerned, as the debate we have had on this occasion. Some members have twitted members of the Opposition with not taking a prominent part in this debate ; but it is, I maintain, the function of every member Mir. Fiatman of this House who does his duty to his con- stituents to criticize the finances of the colony honestly and impartially. When we find that a number of Government supporters are doing it so wisely and so well as they have during the present debate, it would be ridiculous on the part of members of the Opposition to

spend too much time in the same direction. "The extraordinary part of the debate has been that-with the exception of a couple of Government supporters-every Government supporter who has so far spoken has attacked the policy or administration of the Government in some respect or other, and particularly is that the case with honourable members who are experts in any department of administration of the Government. Now, there was no stronger defender of the Government, and no member of the Government party who spoke so strongly on the failings of some of the Government supporters as the member for Napier, Mr. A. L. D. Fraser. That honourable member, if he poses as anything in the House, poses as an expert in Native land administration. He told us the other night he did not pose as a financier. He knew very little about labour problems, but he did understand Native land legislation, and he therefore spent the remainder of the time that he had left, after dealing it out to some of the Government supporters, in condemning the (Government and all their works in regard to Native land matters. We find the member for Wanganui, Mr. Willis, the most faithful follower the Government has up to the point where he is an expert-that is, in regard to labour matters-up to that point he is an out-and-out supporter of the Government ; but when he touches on labour matters, then you get no stronger condemnation of the Government's legislation and the Government's administration and the Government's actions than you get from the honourable member for Wanganui. And so on right down the whole of the Government followers ; and I often wonder to myself what sort of a vote would be given against the Government if every member who understood anything about a subject was only allowed to vote on the subject he understood, and had to refrain from voting on the subjects he knew nothing about. The term of office of the Government would be short. Now, up to this session, one of the strongest critics of the Government on labour matters and on educational matters also was the member for Masterton, Mr. Hogg ; and in the recess we had from him a statement, at a meeting of the Wellington Education Board, against a proposal of the Government to classify the teachers of the colony, when he spoke about the dissatisfaction amongst the classified employes of the Government in different departments, and about the tyranny of such a scheme, and expressing the hope that the teachers would never come under a system of classification. But, hey, presto ! the Government appoint the honourable member Chairman of the Teachers' Salaries Commission, and now we have him standing forth as one of the strongest advocates of the classification of

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throughout the colony he heard such evidence as convinced him that a change of front was necessary in that direction. I am sorry that a member of the Commission has attempted in this House to discuss the report of that Commission before the evidence taken in regard to it is brought before this House. I allude particularly to the member for Wallace, Mr. Gifford, who knows more about education than all the rest of the colony put together. An Hon. MEMBER .- He has made a study of it. Mr. PIRANI .- I am just going to show a little the honourable member does not know about it. He told us it was not a right thing to pay women teachers the same as men for the same work, and the reason he gave was that, after the Fourth Standard, women are not so capable of teaching the higher standards as men. But he gave no reason why women who are capable of teaching up to the Fourth Standard should not be paid equal wages to men for equal work. And the idea that, because women are not so able to teach the higher standards, therefore they should get lower pay for the lower standards than men get for the same work is ridiculous nonsense. There are no men teachers in the colony so capable of teaching the infants in the different schools as the women teachers are. If women are more qualified to teach the lower standards than the men-although perhaps they are less qualified to teach the higher standards, which I do not entirely admit-why should we not act fairly, and give women who teach the lower standards the same rate of pay as the men ? The scale adopted by the Commission does not allow for house-allowance, which has been paid in the past in many education districts. A suggestion is made that the house-allowance

should be foisted on the building fund, instead of being paid out of the general fund. In some school districts teachers have hitherto been paid for instructing pupil-teachers. Why, actually the Commission, without definitely recommending a system of instruction of pupil-teachers, although they do suggest instruction schools in the four large centres- which I maintain would not meet the requirements of the country districts at all-instead, I say, of proposing anything in place of the old system, they expect the old system to go on-the teachers spending hours after their school-work is done in instructing the pupil-teachers, without getting any pay for it at all. In some districts the teachers also get what I think is a very good thing-a bonus according to the grade of their certificate : that is, a payment because they have taken the trouble to continue their studies, and to perfect themselves in the higher branches of education. And if there is anything that a teacher who has to instruct the young right up to the Seventh Standard ought to get extra payment for it is when he has shown the ability and diligence to raise the standard of his profession by getting a higher certificate. The teachers on the Commission Wallace, who was one, held a D3 certificate. Mr. HORNSBY .- He was well qualified for the position. Mr. PIRANI .- Of course; he is very well qualified. From the vast experience he gained at Wrey's Bush School, with an average attendance of forty-seven, he is certainly an authority on educational matters. Mr. SEDDON .- Personal reflections are not permitted. Mr. PIRANI .- According to these teachers, no teacher should get a greater salary on account of his holding a higher certificate, and it was practically lowering the status of the teaching profession by saying that the D certificate was the highest that teachers need attain. It was another great defect not to recommend higher salaries for the first male assistants. I maintain that those holding such positions in the large schools ought to be paid nearly as much as the headmasters. In many cases they have to take full control in the absence of the headmasters; they ought not therefore to be paid so much less than the headmasters. As to the proposed allowance to the Boards of a capitation of 11s. 3d., I say, Sir, it is impossible for the Boards' finances to be carried on safely under such a small allowance, and if the Government expects that the Education Boards will be able to carry on with such a capitation as that I am sure they will find out their mistake. In the scale there is no allowance made for sick-pay to teachers, or for payment of relieving teachers. Do they expect that the teachers are going to put in five days a week all the year round ? They will find that the average sick-leave is at least a fortnight for every teacher in the service of the different Boards. Provision will therefore have to be made by the Boards for teachers to take the place of those on sick-leave. Are they expected to do this out of the 11s. 3d. ; and, if not, how in the name of Goodness can provision be made to meet such cases under the suggested scale? One of the greatest evils in connection with our education system has been the system of payment to teachers. By that I mean the paying of teachers on the average attendance, instead of on the number of children who attend the schools. A teacher has to instruct every child attending his school whether he attends on one or five days of the week. It is harder for a teacher to instruct a pupil who attends irregularly than one who attends regularly. Notwithstanding this, the Commission have actually not taken into consideration what is one of the worst evils of the present system. It has been urged that it is unfair to teachers that their salaries should be reduced when the attendance is falling, owing, say, to the prevalence of an epidemic of sickness or the supineness of parents. Teachers' salaries are constantly being reduced owing to the causes I have mentioned. If the Commission had recommended that teachers should be paid on the basis of 50 per cent. on the average attendance and 50 per cent. on the effective roll-number they would have given an incentive to

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them to keep up the average attendance, while they would have reduced the loss teachers are subject to when there is a sudden decrease in the attendance from causes beyond their control. I am surprised that a Commission of practical men did not bring this before the Government and the House, one of the greatest difficulties in connection with the schools. hope, in accordance with the promise 7.30. of the

Premier, that we shall have & further opportunity of dealing with the report of this Commission when the Bill comes before the House to enact the scale of salaries recommended by the Commission. At the same time it seems to me it will be a pity, if a perfect scheme can be obtained by adding another half-crown to the capitation, that the Government should strain at a gnat and swallow a camel by agreeing to the report of the Commission to give \$4 capitation, and allowing #4 2s. 6d. to go by the board. There have been of late several disturbing elements in the political arena outside of this House, and one in particular seems to agitate the Premier very much. That is the formation of what is known as the Farmers' Union, and even the member for Masterton has taken a hand in denouncing that organization. Now, I do think the Premier and those of his faithful followers who expect in the near future to be members of the Seddon Ministry have very good reason to fear the formation and progress of that union. Not because I believe for one moment that the Farmers' Union will take the field in party politics against the present Government. My opinion of the policy the Farmers' Union will pursue-and I think you will find it a pretty reliable forecast-is that you will find them strong supporters of the elective Executive, strong opponents of the present system of party government, and ardently desirous that the legislation and administration of the affairs of this colony will be considered apart altogether from the politics of the particular people who are concerned. And if this Farmers' Union proceeds on these lines it will revolutionise politics, and prevent any man - no matter who may be Premier -from being the dictator of the country; and will also bring into the administration a purity and a regard for what is honest and right, and an obedience to the law by the Government of the day, that we have not got at present. When we see so many disputes between the officer appointed by this House to control the finances of the colony and the administrative department on trifling matters which could have been settled in five minutes if we had a common-sense man at the head of the Treasury, we know there is a necessity for reform in the Treasury Department. In the very last dispute we have the Governor called in actually to settle what could have been finished by putting a small charge on "Unauthorised," and by printing fresh debentures issued in connection with the loan. Yet, sooner than do this, sooner than put a small charge on "Unauthorised" and print fresh debentures, the aid of the Governor, the Solicitor-General, and Goodness knows Mr. Pirani come, at the rate we are progressing, when every time a Minister has a dispute with a subordinate or a messenger he will send the messenger for the Governor to make an Order in Council to settle the dispute. The present system degrades the office of Governor without any compensating benefit. It seems to me I about time the Treasurer of the colony administered his department a little more in accordance with common-sense and the fitness of things than seems to be the case from the disputes that have been before the House session after session. The Financial Statement in many respects is most peculiar. We have, based probably on the science of comparative anatomy, a system of comparisons of revenue and expenditure between 1891 and last year. I do not know on what these comparisons are based, because I defy any member to find in the Public Accounts similar figures to those in some of the comparisons. Take, for instance, the comparisons of land revenue- £441,338. I cannot find any land revenue in the Public Accounts of that amount. Certainly the ordinary land revenue is \$270,203-just about half what it is put in the Statement; and if you add to that the revenue under the Land for Settlements Act-£72,781 - you get a total of £342,984-something like £100,000 less than what is given in the Financial Statement. It seems to me most extraordinary that we should have figures before us for comparison that are not based on actual official figures. And if you go right through the Statement you will find the same inaccuracies occur. There is one item in particular which is most amusing as coming from the mouth of the Colonial Treasurer. He says, referring to the Customs revenue, "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." I should like to know what duty the Colonial Treasurer gets from kerosene by which he can make his revenue so

buoyant as to contrast favourably with that of last year. I thought-and I have studied the Customs Duties Act of last year- that the Customs duty on kerosene had been abolished altogether, and I can find no record in last month's tables of duties showing that any duty has been collected on kerosene. So that, if the rest of the figures of the Premier and the rest of his statements are as reliable as his statement about kerosene, we cannot wonder he goes to a banquet of the Eighty Club for the purpose of replying to what has been said on the Financial Statement. And the ways of the Government in regard to promulgating political matters to the world are most extraordinary. I have before me a series of cablegrams and telegrams which have emanated from members of the present Government, and those sent outside the colony have been paid for by the Government. I do not wish to weary the House with reading all this set of telegrams, which I know have come from members of the Government, but I will just read

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July last. It comes from Reuter's Telegraph Agency-and here I might say that the colony last year paid £585 for sending what I might characterize, in journalistic language, as a lot of "slush." This is a sample of the sort of thing the colony is paying £585 for to cable to London :- " A Leaderless Opposition. - A sensational feature of yesterday's proceedings in Parliament was the resignation of Captain Russell, leader of the Opposition, who stated that no organized Opposition existed to need him." Mind you, this telegram has been carefully compiled by the Premier, because all telegrams sent from New Zealand by Reuter's Agency are paid for by the colony and are under Government auspices ; and the idea of the Premier, who knew twelve months before that the member for Hawke's Bay was not leader of the Opposition, and who also must have known that there was no such thing as a resignation, because a man cannot resign what he does not hold-and Captain Russell did not hold the leadership of the Opposition this year-paying so much a word in cabling stuff of that kind to the Old Country is outrageous.

An Hon. MEMBER .- What is the date of that telegram ? Mr. PIRANI .- 4th July, 1901. There are a lot of other cablegrams in which the name of the Premier is particularly prominent. Then, I might refer to a paper published in the colony which regularly publishes political critiques from a Minister of the Crown, and it is amusing to read his criticisms on the financial debate; but I am sorry that the rule of Parliament prohibits me from reading his criticism on the present financial debate, because we cannot quote newspaper remarks in connection with debates which are before the House this session. I understand that there was a public function here in connection with the presentation to a Minister of the Crown under the auspices of the Eighty Club, and the Premier, not content to wait for his reply in this debate, took the trouble at that function to refer at length to the criticism which members of his own party, during the present session, have launched against the Financial Statement, and he made a most remarkable misquotation in connection with those criticisms. After generally casting aspersions on members of his own party for their frankness during the present debate, he said, " But there were some people in regard to whom, like the fly in amber, he wondered how the devil they got there. (Shrieks of laughter and applause)." Now, the Premier rather misquoted Pope when he referred to the "fly in amber." He not only misquoted Pope, but he did not give in full the reference that he ought to have given; and, in order to supply that omission, perhaps it is just as well to give the full quotation. Pope says,- Pretty in amber to observe the forms Of bars, or straws, or dirt, or grubs, or worms. The things, we know, are neither rich nor rare, But wonder how the devil they got there. Damn with faint praise, assent with civil leer, And without sneering reach the re-t to sneer. Willing to wound, and yet afraid to strike, Just hint a fault and hesitate dislike. There could be no truer description of the Premier's methods. But it struck me on reading this that the Premier could have quoted something very much more à propos to those of his followers whom he referred to. Members will probably have read that very interesting American story " David Harum." They will remember that one of his sayings of world-wide significance is that "a reasonable amount of fleas is good for a dog-they keep him from brooding over being a dog." But, joking

apart, and leaving on one side the Premier's doubtful allusions to his followers, I think- Mr. SEDDON .- I was speaking of the Opposition at that time, and of you in particular. Mr. PIRANI .- The Premier could not have spoken of me, because I had not spoken in this debate, and he was referring to those who had spoken. The Premier is not quite as ready as he ought to be. Probably his experience on the voyage from Greymouth has rather upset him. But there is reason, I think, for some uneasiness in regard to our financial position, and, as was pointed out by the honourable member for Wellington City (Mr. Fisher), the Premier himself over and over again in his Financial Statement is far more pessimistic in regard to the future than any of his followers who have been so hardly criticized. The alarm, to my mind, is not so much on account of the increasing expenditure, which is very great, or on account of a possible diminution in the revenue. To my mind, if disaster comes at all, if there is a necessity for prudence and carefulness, it is because of the financial outlook outside New Zealand altogether. If New Zealand cannot possibly get borrowed money outside the colony, it is ridiculous to say she can carry on at the present rate of public-works expenditure with what it is possible for her to borrow within the colony itself. And I have no hesitation in saying it will be impossible to float a loan on the Home market at anything like a reasonable price for a very great many months to come. The financial outlook in London at the present time, or at the time the last mail left, was very grave indeed. Just then the American financiers, who had purchased very heavily in Consols when the recent war issue was made, had unloaded every penny of their purchases on the London market because of the necessity for getting cash for use in America itself. In Germany the traders there had overshot the mark ; their trading had been doubtful and rotten financially, and the collapse of many banking institutions had caused a very grave financial position there. In Belgium gambling and over-financing had been carried on to an enormous extent, and the consequence is that trading is in a very disastrous condition. In Austria financial matters were never worse than they were last month. In Russia, for a couple of years past, the finances have been in a very grave condition,

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France itself money has become scarce, and there was nothing but financial congestion and exhaustion apparent at the time I mention. Further, in England matters were not at all in a good condition. During the last two years there has been in England an extraordinary amount of capital invested in trading concerns - in enormous cycle companies, in big breweries, mining companies, and concerns of that sort-with the result that the money-market has tightened to such an extent as has not been known since 1894. As we know, the English market is the centre of the financial system of the world-that if the English market is tight it is bad enough, but if it is affected by the tightness of the money-markets all over the rest of the world, then it will take very considerable time, and a considerable amount of care and caution, before that market returns to such a level as to allow a colony like New Zealand to float large loans. Well, the Government are asking authority to borrow over five millions in one way or another, and I would like to know how it is possible, in the present state of the London market, to get anything like that amount at what may be called a payable rate of interest ? Under the circumstances, those members who have asked the Government to be cautious in regard to their finances, and who have backed up practically what the Premier himself has said, ought not to be blamed for the attitude they have taken when they have only followed the Premier's own lead. In regard to the colony's borrowing, there is a most extraordinary state of affairs. We are told in the Financial Statement that the Colonial Treasurer has been able "to tap our own resources, " and, as the result of " local emissions "- I do not know what that is ; it is generally supposed to mean sickness -but, as the result of local emissions he was able to float a local loan of half a million. But our own resources have been " tapped " at a very expensive rate, because we are told in the Financial Statement that the loan has been floated at 4 per cent., with a bonus of 1} per cent. to lenders, the bonus being practically payment of interest from the 1st April until the capital amount

was paid in. And, strange to say, in this connection I notice that the Solicitor-General has given his opinion that the loan does not produce more than 4 per cent. Well, I am sorry he is in conflict with the Colonial Treasurer, because the Colonial Treasurer in his Statement says that for this year, at any rate, the loan produced 5 per cent. In addition to this loan of half a million, the reference to which occupies a page in the Financial Statement, it appears from the last quarter's accounts that the Government floated another loan of half a million in the London money-market at 4 per cent. Now, if it is possible to borrow money in the colony at 4 per cent., why should the Premier go quietly-you might almost say silently and surreptitiously- to the London market to borrow half a million at a similar price, unless he found it was impossible for Mr. Pirani against that, it is most extraordinary that the Postmaster-General has told us that there must be plenty of money in the colony, because there are twenty-two millions of money in the banks of the colony. Of course, if that statement is correct the Premier would very soon tap these resources ; but examination of the last banking returns show that there is only about three millions in the banks of the colony, although the deposits in the banks amount to fifteen millions. But the coin and bullion, which is all the banks hold at present, and which is their only uninvested asset, only represent about three millions sterling, while their liabilities amount to eighteen millions sterling ; so that I cannot understand a man in the responsible position of a Minister of the Crown telling the public in such an optimistic speech that there are twenty-two millions in the banks of the colony, when he must have known that such a statement was misleading, and that it would be impossible for the banks we have in the colony to hold that amount in a liquid state. We are also told by the Premier in his Financial Statement that the colony badly needs increased population, and yet we are keeping over five thousand of the "unemployed," or employed at co-operative works because they cannot get work elsewhere. Why, the colony does not at present want increased population, but it wants an outlet for its present population ; and the unfortunate part of the working of the Conciliation and Arbitration Act is that it is bound, if it is properly worked, to decrease the avenues of employment for our population. I will show the House why : Because, in the first place, it limits the avenues of employment for young people; and, in the second place, it will induce employers, wherever possible, to get labour-saving machinery that will do away to a great extent with a large number of employees who are at present earning a living-wage. A particular instance-I do not complain about it - has occurred in connection with my own trade. The town printers are asking for a minimum wage of \$3 5s. a week. The average wage on the country newspapers runs from £2 5s. to £2 10s. a week, and I will guarantee that the men at these wages can live better than the men in the City of Wellington at £3 a week. But if the demands of the employers are given effect to, and the rate of wages is raised from £2 5s. and £2 10s. to £3 5s. a week, it will pay the country newspapers to get type-setting machines, one of which will be able to do the work of several men. But at the present rate of wages the difference between the cost of the machine and the interest on it and the wages paid is so small that it would not pay the country newspaper proprietors to trouble about getting the machinery. But if, as I say, the arbitration in the matter is to increase the rate of wages, you will understand then how many men will be thrown out of work. Of course, it may not occur. The demands of the city men may not be carried into effect ; but there is always that danger, and

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increase the wages, and where it is fair, they have very good grounds for saying that the Pre-Arbitration Court will do so, and will gradually mien has come under the Disqualification Act in displace a very large number of employes with drawing that amount, and that any man in the labour-saving machinery. Personally, I think colony who wishes to disqualify the Premier that in very many of the trades-such as from sitting in Parliament has only to bring engineering and the higher class of trades-it an action under the Disqualification Act for re- is a pity to limit to too great an extent the ceiving moneys outside the amounts which are number of apprentices. Not that I think allowed and he would have a very successful

there is any outlet in the colony for our youth. result to his suit. I think it is an unfortunate part of the administration of this colony that so many men are imported who are supposed to be experts in the different branches of industry. But, apart from do not want to get rid of the Premier at the that, it would be impossible for a colony of this present time. We are very pleased to see him size, with the number of youths we have here, stew in his own juice for a little bit longer, to give an outlet inside the colony for all the because we feel sure that, if he only has a few growing population; and I can quite under- year- more lease of office, the colony will be stand that a large number of young people, satisfied to abolish not the Premier, but party when they get the opportunity, should prefer government, and do away with the system of to seek occupation abroad and advancement in party government under which such things can their profession elsewhere than in the colony, be done. Now, I say there has been no vote on rather than remain in the colony, where they the estimates under which the Premier could draw that £77 10s. There certainly was on the have not anything like the same opportunities as they would have in other parts of the world. estimates of last year a vote of, I think, £1,000 And I say, therefore, that while we for expenses in connection with the Cook 8.0. have this feeling, while we are able to Islands ; and when the Minister in charge of produce youngsters smart enough to go out into the estimates-Sir Joseph Ward. . was asked the world and earn their living in the face of what the money was for, he told the House the competition that can be brought against it was for expenses to be incurred in connection with the administration of these islands. Now, them abroad, we ought not to do anything to the Premier's trip to these islands took place in prevent the primary training of these young fellows in the occupations that we have in the the previous May, and I would like to know colony. But if this system of limiting the em- how that money can be legally drawn out of ployment of young fellows is going to be carried a vote which was not passed until some six to an extreme, so that it will prevent many from months after ? getting any training in these trades and pro- fessions, the result will be very disastrous indeed General pay it ? to the young fellows. One matter in connection with the administration of the colony, I think, General is more partial to the Premier than we know, and that if we had all the items of public calls for adverse criticism, and that is the very large amount of travelling-expenses that is expenditure, including travelling expenses, in de- drawn by the Ministers of the Crown. One tail laid before the House we would probably find Minister, not the Premier, seems to draw travel- that to be the case, because I cannot think it ling-expenses for nearly every day in the year possible that any Minister can incur legitimately outside the session of Parliament. Now, the travelling on public business the amount that has been placed at the debit of Ministers in the Civil List Act, which deals with travelling- Public Accounts. I think, also, it is an improper expenses, says, -- " Members of the Executive Government of thing that any Minister of the Crown should be drawing such money from votes in a haphazard the colony travelling within the colony on the public service shall be entitled to an allowance way like that. If we are not paying enough - not exceeding thirty shillings per day ; but no if the salary voted for the Premier last year of such allowance shall be made to any Minister £1,600 is not sufficient to meet expenses of that during the period such Minister is attending a sort-he should tell the House to vote him « hat session of the General Assembly." is a fair salary. I think it is a highly improper Therefore, as there are less than eight months thing that expenses like this should be continu- in the year outside the sitting of the General As- ally coming before the House, in contravention, sembly, the Minister, who draws something like if not of the letter, at any rate of the intention \$2.0) travelling-allowance, must be travelling al- of Parliament. In regard to the expenses of most every day of the year outside the sittings of the Government, it would be a good thing if we Parliament, and not only travelling, but travel- could get laid before Parliament full details of ling upon the public business, and I do not think all the items of expenditure Now, under the that the necessities of the colony demand that Cook Islands vote, there is a sum of \$582 for any single Minister should be travelling eight expenses which must have been expenses in- months out of the year on public business in the

curred during the famous trip of the "Tutane- colony. But, beyond that, I notice by a return kai " with the Premier and all his friends on laid on the table that the Premier has drawn board. I should like to know how much of that \$77 10s. as travelling allowance and expenses on item, £582, went to Ministers' Secretaries, and a trip to the South Sea Islands. Now, I do not how much went in other items. I think the Mr. SEDDON .- You could get rid of me very Mr. PIRANI. - Perhaps ; unfortunately, we An Hon. MEMBER .- Why did the Auditor- Mr. PIRANI .- It strikes me the Auditor-

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such a vote as that should be laid before Parlia- ment. In connection with the Premier's sugges- tion in the Financial Statement, that we should "go slow" in regard to our public works, there is another department of expenditure which should also go slow, and that is the department that deals with the purchase of lands for settle- ment. We have been buying land during the last two years at the top of a land boom, on the top of a boom that cannot possibly last another twelve months. During the next twelve months land-values, which are already beginning to fall, will be very much lower than they have been during the past. I notice, in regard to the famous Pomahaka Settlement, that half the land at the present time is unoccupied. An Hon. MEMBER .- One man wanted to give £60,000 to cry off his bargain. Mr. PIRANI .- That was not Pomahaka; and the honourable member knows just as well as I do that the £60,000 was not to be given be- cause of the money to be made out of the land, but because there were not other avenues for the investment of money at the present time. But, so far as the Hatuma Estate is concerned, I think there will be just as much crying out about the rents on a good deal of Hatuma, if they have a dry season or two in Hawke's Bay, as there has been of late in regard to the Pomahaka. But the reason I say we should go slow in regard to the purchase of lands is that the money is needed for roading the lands the Government have at the present time. There are settlers who have been eight or ten years in occupation of Crown lands who have not got a road to their land, and it is un- fair to ask those men to take their families to a place from where there is not the faintest prospect during most of the year of their getting any produce to market ; and while that state of things exists, while the Government themselves are such bad landlords as not to give their tenants an approach to their land, I think it is about time to say that the expenditure should go in that direction, before we buy land that is already being used, and which is near to a market, for other people to settle upon. And then, in regard to settlement of the Native land, there is any amount of Native land fit for settlement which can be obtained right away. The Government themselves have a good object- lesson in regard to the West Coast Settlement Act of the North Island, where they have suc- ceeded without spending a penny of Govern- ment money in settling large areas of land, where the settlers are prosperous, where the Natives are getting very good rents from the land, and everybody seems to be content. That system was brought in by the Ballance Govern- ment : why do not the present Government imitate it with regard to other parts of the colony, instead of making a hash of it, as they did in their Native Land Acts of last year ? Somehow it seems that the Government, no matter what good example they have in their own legislation, want to make fresh experi- ments. I maintain that when they make a successful experiment they should follow it up. Mr. Pirani much larger areas of Native land would have been settled than there are at present. Mr. ARNOLD (Dunedin City) .- Sir, this de- bate has now been going on for some days, and I am sure it has proved not only interesting, but very instructive to the colony. The whole argu- ment has centred, as it seems to me, round one point, and that is as to whether this colony is at the present time in a sound financial position or not-whether the amount of progress which has taken place during the last ten years is con- tinuing and is likely to continue-and on that point I wish to say a few words this evening. Before doing so, however, there are one or two re- marks that have been made by the last speakers which I think are worthy of notice. In the first place, we come to the remarks of the honour- able member for Wanganui, who spoke this after- noon with regard to a certain award of the Arbitration Court overriding Acts of Parliament. As I have a good deal to say

to-night, I just wish to say one word in reference to this matter. and that is that in several cases the Court of Arbitration has refused to interfere with the question of apprentices. This also answers, to some extent, the statement made by the honour- able member who has just sat down, and will- . Mr. WILLIS .- It affects apprentices in some cases. Mr. ARNOLD .- Exactly. I contend that, while you have a Court of Arbitration con- stituted, as it should be, of three intelligent men, who are as far as possible unbiassed-one of them is certainly unbiassed-and while both sides are enabled to bring all the evidence they can before the Court-I say, Sir, in that case the Court is quite qualified to say whether apprentices should be limited or not in any particular trade. And, while it may be con- tended, as was done by the honourable member for Palmerston, that harm will be done if there are no apprentices, or only a few, in a particular trade, I would remind honourable members that a few years ago it was found in some cases that there was only one journeyman to eight or nine boys. We had then a system of "sweat- ing " which I am sure no member of this House would like to see renewed. Although I could occupy the whole time at my disposal to-night on this question, I will not say more about it at present, as I wish to deal with other matters. Now, Sir, with regard to the re- marks of the honourable member for Patea. it seems to me that that honourable gentle- man is thoroughly in accord with the remarks I shall make hereafter, and which. I think, will be in accordance with the desires of the party who occupy seats on this side of the House. I think, however, that the honour- able gentleman was a little inconsistent in his remarks, inasmuch as he opened his speech by referring to the amount of money spent by the present Government during the past ten years. After mentioning the fact that the debt of the colony was now so much more than it was at the beginning of that period, he went on to quote the Premier's remarks with regard to

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and he then upbraided the Government for not telegraph, and the electric cars, which are so making sufficient progress with public works in extensively used, do not belong to the State at the North Island, and with not having voted all, but are wholly owned by private companies. sufficient money for the formation and improve- That being so, the comparison was not a fair ment of roads in this Island. He then referred one; and it should be, I think, the duty of to the number of men employed on the co- every member, when using a comparison be- operative works of, I presume, the whole colony. tween two places, either to show where the At the present time there are 5,627 men em- comparison does not apply or where there is played on the co-operative works of the colony. no comparison, or to put a case that does The honourable member for Palmerston North apply, and applies exactly; and I say that said that these men are employed because there can be no comparison made between they cannot get work elsewhere. The honour- the cost of government in Ontario and able member for Riccarton said a few nights New Zealand. I think the Colonial Trea- ago that if these men were thrown out of em- surer is to be congratulated upon the Statement that has been presented to the ployment and got back into the cities there would be such a reaction in consequence of the House this session. Last year we were told "unemployed " difficulty that we would have that we might anticipate this year that if he the same state of affairs as we had some ten or had a surplus it would be a very small eleven years ago. On the other hand, the one, and consequently the surplus that he member for Waitemata, when speaking on this has is not only as much as we could question, said that if these men were not em- have anticipated, but even more than we played by the Government we would find, as of might have expected. I mean this: that in old. swaggers travelling from place to place. consequence of the large expenditure of the last twelve months we might have expected to All these statements are, I presume, more or less correct, with the exception of the one that find that, though the Treasurer said he would these men could not get work elsewhere. I con- have a small surplus, that surplus would have tend that they could, because the country would dwindled away to almost nothing. Let us look not permit the Government to stop the public- for one moment. We had increased expendi- works policy that is going on at the present time, ture on public

works to the extent of £442,759; and if the Government were to cease construct- we had reductions in Customs of £157,000, in ing their railways and other works by co- round figures ; we had reduction in railways operative labour it must be done by contract, which amounted to £165,000 for one year, or and the great majority of these men could get which has amounted for ten years to the sum work under the contract system. Therefore of £420,223. The reduction in the railway they would not be thrown out of employment. freightage for one year amounted to £92,600. But, Sir, if these men were thrown into the Then, we have the large expenditure in connec- cities we would have the same state of things tion with the contingents; we have had the that we had eleven or twelve years ago. We visit of the Imperial and Indian troops; and would have the swagger travelling from one lately the visit of the Duke and Duchess of part of the country to another, we would have York, which I admit should not come into this the soup-kitchen again in our midst ; but is discussion, as it cannot be said to come within there any likelihood of any such thing being the financial year. Nevertheless, when the Trea- done ? Certainly not. The policy of this party surer said we should go slow he certainly took will, I hope, be continued. These men will not into consideration the expenditure caused by this be permitted to go from farmhouse to farm- visit. Then, there has been the loss by the penny house and from station to station with their swag postage ; and, though the figures are not yet on their back because they could not get work, down, there is a certain amount given back to becoming a pest not only to themselves but tenants of the Crown under the Crown Tenants' Rent Rebate Act of last year. So that, looking to those with whom they had to stop over-night, and from whom they had to get their meals ; at the question from that standpoint, I think the and I believe that while the policy of the Financial Statement is very satisfactory. And, while it may be said our loans have been in- Government is continued as it has been up to creasing from year to year, and the interest the present time in regard to public and co- has been constantly increasing also, and that if operative works these things will not be. Then, Sir, the honourable member for Patea we continue as we have been for the last ten years, in ten or twenty years' time our debt made a comparison with regard to this will be very heavy indeed, nevertheless, look- colony and the cost of government in Ontario. Now, Sir, what are the facts ? I find ing over the ten years that have passed, look- that there are two forms of government in ing at the progress of the country during that Ontario. In the first place there is the State period, and at the success at present, and the Government, and in the second place there is amount of prosperity there is, I say we could not desire very much more than we have. We the federal form of government; and it was the State Government, which only looks after have been reminded to-night of a certain quota- and has under its jurisdiction a small amount tion in regard to a fly which was found in some amber. Now, I do not wish to allude to this par- of the government of the country, that was quoted by the honourable member. So that ticular fly, and I do not wish to refer to any ex- tent to those who were the cause of this quota- the larger portion of the expense comes under the heading of the Federal Government. Then, tion being made at another place last night;

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but I do say this : that to a young member of this House-a young man in politics so far as some of the fathers in this House are con- cerned -- I can say that the arguments of some of my seniors certainly surprised me. We have been told that ten years ago Mr. John Ballance had a certain policy and made certain statements. We are told the present Govern- ment have departed from that policy and those statements, and that, consequently, we cannot have the same amount of confidence in them we otherwise would have. Now, were the members of this House returned to support the late Mr. Ballance? I contend they were not. Eighteen months ago, when the members of this side of the House stood on the various platforms throughout New Zealand, the one question that was asked of them, and which they answered, was as to whether they were willing to support the present Government or not. It was asked, Were they willing to support the policy of the present Go- vernment ? and upon that question those who

belonged to this party were returned. Now, is the policy of the last eighteen months the policy that was inaugurated and was being continued by the present Government up to eighteen months ago? I say it is. The statistics tell us, and we have been told over and over again during this debate, that these loans have been increasing year by year. Then my complaint is this - and it is a just complaint-why did not the members of the House who have been here for eight or ten years, when we stood on the public platform eighteen months ago, tell the constituencies that the Government were leading them in the wrong course, and that if that course were continued it must lead to destruction? Instead of that they were told, and believed, that it was the right policy, and would lead not to destruction, but to success. And because that story was told the party was returned to this House with the majority they have to-night. Now, as far as I am concerned, I have been able to study this question very much more during the last eighteen months than I was previously, and I say that to night I believe that policy is the correct policy, and I am prepared to repeat that which I said eighteen months ago on the platform-that I was not bound to the Government or to the Premier, but that while that Government continued the policy that they then had, and which was placed before the electors, I was prepared to support them. And to-night, instead of quoting the words of Pope with regard to the "fly in amber," there is a verse that was published immediately after the election in certain papers that I think is well worth quoting, and it is this :- Be forewarned, ye politicians. Eyes are watching far and near; Your supporters hold the balance- They will weigh you, never fear Be advised: your friends are anxious You should worthy prove and true; If you act as you have promised They will firmly stand by you. I think that that is precisely the position to-day, and I think that those who have spoken Mr. Arnold from this side of the House -- I do not speak of the other side, because they are speaking and acting consistently in criticizing adversely the present Government and voting against them- but I think that those who have spoken in the manner they have on this side of the House might well consider and ponder upon those words, and ask themselves whether they are acting as they promised. Coming back to the words of the Hon. Mr. Ballance ten years ago, I think that at that time they were really applicable. I think that at that time the present Premier might have uttered such words as those; but, Sir, if the Hon. Mr. Ballance was the man I believe he was, then it is impossible that he could have inaugurated the policy that was brought down then, or to have continued that policy, without providing money. Take the advances to settlers or the settlement of the people on the land: why, Sir, take that policy point upon point, plank upon plank, and if the Hon. Mr. Ballance thought we were going to continue that policy for years to come, and to do it without borrowing money, then he certainly was not the man that the older members of this House say he was, and which I believe he really was. Sir, what is the position of affairs at the present time? We are told that the country is in a very peculiar position. We were told to-day that some men would presently close their factories and leave the colony. We were told that it would be impossible at the present time to get people to sink #1,000 in any factory, or in any calling. Now, look around you. There are more buildings going up to-day in New Zealand than there has ever been at this time of the year during the last ten years; and they have been continually increasing. Is not that a sign of prosperity? In regard to factories, what do we find? We find that during the last twelve months the factories in New Zealand have increased by the number of 306-and that is a considerable number. I know that I may be told that this is because every little place has to be registered as a factory; but if the fact of the factories increasing by 300 does not prove to any extent that there is prosperity, as far as manufacturing is concerned, then let us look at another side of the question. We find that the hands employed in the factories-and that is some criterion to go by-have increased by 4,522 for the same period. An Hon. MEMBER :- Ten years. Mr. ARNOLD :- I am not going back ten years. I am speaking of the last twelve months, and we find the employés have increased by 4,522. That does not include railway-work-shops or railway employment. That does not include those engaged upon co-operative works. That refers only to factories, and that certainly is a sign of the continuous prosperity that we have

enjoyed so long. Then, we have been told that, as regards some of the commonest articles upon which duty is paid, they are not more largely used by the majority of the people-and the majority of the people are not capitalists- than in previous years. The revenue from Customs duties upon spirits for the last twelve months has increased by £22,800, upon tobacco

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they were deprived of previously. Sir, I by £15,800, upon cigars and cigarettes by £9,100, and upon sugar by £3,500. These, I think, will be considered as luxuries, because a man will not smoke unless he has the money to spare ; and so with regard to the other articles I have named. If we want further argument, let us take the Post-Office Savings-Bank. What do we find there? We find that last year the excess of deposits over withdrawals amounted to £343,012 over the previous year. We find that the total amount in the bank is £5,809,552, or an average of £29 8s. 7d. on each account, or an increase in each individual account in the Post-Office Savings-Bank of £4 6s 3d. Does not that show that the majority of people are in as prosperous a condition and in as comfortable a position as previously ? The total number of accounts under £200-and I take it that those who have under £200 in the Post-Office Savings-Bank may be considered as belonging to the working-classes -the total number of accounts under £200 at the 31st December last was 189,572 ; and ten years previously, in 1890, it was only 94,865, so that in that ten years the number of those who have under £200 in the Post-Office Savings-Bank has just about doubled itself. Now, Sir, if it were not that the rate of interest is very small in the Post-Office Savings-Bank, the amount of money and the number of those who have accounts there would be very much larger than it is at the present time. Now, what do our friends opposite want? Do they desire to see the swagger again in the country? Do they wish to see these people brought back into our towns, and the position of affairs brought back to this colony that was so ably described by the honourable member for Masterton a day or two ago, when he described the children as ill-clad, and the mothers and fathers in want. Indeed, one might enlarge upon that thought. Or, do they desire that the working-classes should share in the prosperity of the country, and that the country should continue to prosper as it is, and as it has during the last ten years ? If so, then, I say, we must continue the policy of the Liberal Party. Look, Sir, from the picture that has been described by the honourable member for Masterton to that which may be seen to-day. How are the people dressed to-day ? Why, Sir, when the Duke and by our second-class carriages can hardly recognise the Duchess were here, and the children assembled in large numbers, and at the breaking-up of the various schools, when numbers of members of this House meet with the school-children, what do we find ? We find that these children show upon their very countenances, show by their features and physique, that they are well fed, that they are well looked after, and that they are well dressed. Go back ten years and you have a comparison which tells its own story. Look at the children to-day who are passing the Fourth Standard, and, while it is a most lamentable fact even now that a considerable number of these children are taken away from their studies, and have to go to work, yet large numbers of children over that age have dictated by others who were not in such close their education continued, and are being touch with the men. What has been the taught music and various other things that think this proves two things :. in the first place it proves the prosperity of the country, and in the second place the thriftiness of the people of our colony. I wish now to compliment the Minister for Railways for the work that is being done by his department. I have mentioned to-night the amount that has been returned to the people of the colony by the reduced fares and by the other concessions that have been brought about under the railway management. We have been told in this debate that the railways should be managed as commercial affairs are. What is meant by that? I presume that, as a commercial man strives to do as much business and make as much profit as he possibly can, so we, as a Government, should keep the fares as high as we possibly can in order to make as much profit as possible; that the freights should be kept high, and that the whole business should be transacted in such

a manner that the revenue should be made as high as it possibly could be. So far as I understand it, the policy of the present Government is that 3 per cent. shall be the maximum of the profits made through these railways. Sir, I contend that the railways of the colony occupy a very different position to the railways managed by a private company. The railways belong to the people of the colony, and I think that we have no right to strive to make a very large profit from them; and consequently I trust that the Minister for Railways and his colleagues will continue their present policy in regard to the railways. Has it not been successful? A few years ago, when those gentlemen were in power, we were told that an experiment was made one Christmas with regard to cheap fares. We were told that it did not pay, and it was discontinued. What do we find now? Why, that over #39,468 was the increase from the passenger traffic last year; and £103,646 was the increase for the carriage of goods. Sir, we find that half a million more passengers travelled upon the railways than the year previously; that over a million tons in excess of the previous year were carried; and that the total revenue increased by £154,226. In addition to that, Sir, look at the improvements that have been made. Those who travel to-day rise or realise the inconveniences that existed a few years ago. We have had dining-cars put on, we are having the Westinghouse brake fitted to our rolling-stock; and, coming to a point which I must not omit to mention, one can also congratulate the Minister upon the treatment of the employés under the present management. We were told last session, and have been told session after session, that if the employés of the railways could possibly do so they would be brought from under the present condition of affairs and placed within the scope of the Conciliation and Arbitration Act. Those who were in touch with the employés knew differently, and said so in this House, and were contradicted? We find that out of a vote of 1,407

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coming under the Conciliation and Arbitration Act, which shows that there is a state of contentment amongst the employés of the Government railways in the colony that does not exist in very many firms of private employers. There are, however, one or two things that I think might be suggested to the Minister for Railways. In the first place, I trust he will not lose time in bringing down the superannuation scheme, which has been promised for such a long time, and which we were told last session was ready, and which he was prepared to present to the House. I hope that before very many days have gone we will have the new classification scheme placed before us for our consideration, and I trust that the casual hands that are employed under the railway management will receive both more consideration and higher pay than they are receiving at the present time. Then, while we are speaking of encouraging local industries, I trust the Government will see to it that at a very near date we will so employ our hands and so increase the capacity of our workshops that we will be able to build not only our carriages and trucks, but the whole of our engines there. Let me say, under this head, that the time has now arrived -though the Minister said the other day in the House that there was not money available -when a foundry must be placed in connection with the Hillside workshops if the work there is to be done successfully and economically. We know that there is a considerable loss in consequence of castings and other foundry-work having to be brought from private firms to those workshops. There is one clause in the Statute that I must refer to to-night. It was touched on by the honourable member for Wanganui this afternoon when he was speaking on the question of coal-mines. One knows there are those in this House who do not wish, and who do not appreciate, the Government going into any new line of business, or striking off on any fresh lines upon any subject, whether steamships, coal-mines, clothing-factories, printing-offices, or anything else. Nevertheless, I do congratulate the Government on their determination to work a coal-mine of their own. Sir, I find this: that at the present time the Government themselves use about 115,000 tons of coal per annum, and if the Government will only bring 115,000 tons of coal out of their mine and make the saving that is to be made upon it, then I consider that that alone is a sufficient reason why they should

enter upon this business. The quotation I wish to call the attention of honour- able members to is this :- "There is a combination of the coal-dealers, and the mine-owners are working in unison with them, the result being that abnormally high prices are charged to the consumers." We were told this afternoon by the honour- able member for Wanganui that, as far as his district is concerned, this is an absolute fact. Now, I have received a communication from my own district-from Dunedin - part of which I will read. It says, after explaining the whole matter,- Mr. Arnold absolutely no truth in the statement; and I have also cited a case which clearly proves that the coal-dealers are not now receiving a suffi- cient margin of profit on some coals handled by them. My executives trust that, should the opportunity occur, that you will have this state- ment corrected, as it is a direct reflection on the trade generally." This is signed by " James Macfie," the chair- man of the Dunedin Coal-merchants' Associa- tion. The request is that if I have the oppor- tunity I will make that contradiction public ; and I now take advantage of this opportunity to do so. Sir, the reason that I am very much in favour of the Government opening up the coal-mines is not in consequence of the profits that are being received ; it is not because it is believed, whether right or wrong, that there is an understanding between the mine-owners and the dealers. I take a higher stand than that : that not only the coal, but the whole of the minerals of the colony, should belong to the people of the colony. We had the honourable member for Auckland City (Mr. Witheford) the other night telling us the wealth was in the land up in Auckland, and that all that had to be done was to take it out. That is so, not only in Auckland but in all other parts of the colony, and I con- tend that the Government can take it out cheaper and better than private companies. It belongs to them, and consequently they ought to take it out, in preference to allowing private people to do so. Coming to the question with regard to gold, we find that for the half-year the value of gold saved amounted to £344,888, and if we double that-because during the second half of the year we are not likely to see a falling-off-we find that for the twelve months we should have an output of £689,776. Sir, I contend that the Government are doing well now by opening up the coal-mines, and I trust the day will come when this or some other progressive Government will not only say that the coal of the colony, but that other minerals, some of which are, perhaps, not yet discovered, shall belong to the people, who have the right to them, and not be handed over to private individuals. I now come to the question of public works. The public- works policy of the Government is a policy with which I am thoroughly in accord, and, as I said twelve months ago, that policy must be continued with fair progress. During the last recess I have had the advantage of going into the back country of Otago. I have been able to look at some of the back blocks, and have been able to get into a part of the bush country, and I say that, in my opinion, no Government can, in justice to the people of this colony, pause in the public-works policy that they have been carrying out for the last eight or ten years. I say that they must assist the settlers in getting roads to the back blocks not only formed, but maintained. I say that, in some parts of the colony where they have dangerous rivers, and where the settlers- are placed at a great disadvantage, not only with

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regard to traffic, but the carriage of goods, the Government must continue to assist them with regard to bridges, so that they may have open traffic from one part of the colony to the other. I say with regard to our railways, the Govern- ment must continue the formation of those railways, if it can be shown that when completed they will pay. We were told by the honourable member for Geraldine this afternoon that the Midland Railway should stop where it is. I presume that is . because . he believed it would not pay if it were continued. But as of the Catlin's River Railway. Last session far as the North Island Trunk Railway, the Otago Central, and other lines are concerned, the Government must push them on as fast as they possibly can. A few nights ago we had the honourable member for Auckland City (Mr. Fowlds) making a comparison which I think it would be well if members of this House did not make. He drew a comparison between the North and the South Islands. He told us the number of Ministers that belonged to the South

Island, the amount of money that was being spent in each place, and the number of acres that were being opened up, and so on. Now, what do we find with regard to the railways? I wish to call the attention of the Minister for Public Works to this one fact: Twelve months ago, in this House, we voted #130,000 for the continuation of the North Island Main Trunk Railway. The Southern members were very pleased to vote that amount on the estimates, and, as far as I remember, they made no complaint whatever. We placed on the estimates for the Otago Central Railway £30,000 less, or the amount of £100,000; and we were quite satisfied, recognising that our railway had been pushed on to a certain extent, and that the North Island Trunk Railway should be pushed on, because we considered there should be through traffic from Auckland to Wellington. But, Sir, let us look at the expenditure on the North Island Trunk line. There has been going for six or seven years past to have a railway—\$116,591 expended; and upon the Otago Central, out of the £100,000 voted, there was only \$67,753 expended. Now, coming to the number of hands employed upon those two lines: Upon the North Island Trunk line there are at the present time 1,143 men employed. Upon the Otago Central there are only 520; upon the Midland Railway there are 422. Upon the Midland Railway and the Otago Central together the aggregate number is 942, or some 200 less than upon the North Island Trunk line. Further, the number of hands employed on all the lines in New Zealand, with the exception of the North Island Trunk Railway is only 1,885. The North Island Trunk Railway has 1,143, so that, I think, shows that the North Island, so far as public works are concerned, has not only got its share, but more than its share. I do not complain that it should have its public works pushed on, but I do consider that the amount passed upon the estimates for the twelve months for any line should be expended, if it is possible to expend it. Mr.

HALL-JONES .- The line is fully manned down there. VOL. CXVIII .- 10. Mr. ARNOLD .- Fully manned! How can the Minister say such a thing as that? I say that the Minister must see to it that the line is continued with greater rapidity than it has been in the past: that if £100,000, £60,000, or £30,000 is placed upon the estimates this session that amount shall be expended, or else we will know the reason why, just as the Northern people do. Mr. SEDDON .- This is reducing public works expenditure. Mr. ARNOLD .- Then, there is the question £12,000 was placed on the estimates for that railway, and the whole expenditure was £7,400. Now, the Catlin's River Railway is a very different railway from the Otago Central, and some other railways in New Zealand. Some members have spoken with regard to the importation and cultivation of certain trees. Now, let us look at the country around Catlin's River. We find here 250,000 acres under best sawmilling timber—red-pine, finest black-pine, totara, and various other good timbers. The settlers there are compelled to clear a certain area during the term of their lease, and they have to cut these trees down and burn them simply because there is no means of getting them to sawmills, and from the sawmills to the city. Is it not right that we should use these trees to the best possible advantage? If these trees are destroyed they are lost to the colony. It is the duty of the Government to push on its public works as fast as possible, so that the settlers in those settlements may be assisted not only in regard to railways but also in regard to roads and bridges and that this beautiful timber may be saved; and that, when the timber is removed, some of the most beautiful land in Otago, both for grazing and cultivation, may be properly utilised. I am glad to see the honourable member for Waihemo in his place, because I am sure I shall have his assistance in this matter. There are those who have been agitated—way-station placed in the City of Dunedin—the beautiful city of the south; there are those who should be continued, and I ask them if they are prepared to cease the whole of the public works in New Zealand for twelve months. I contend they are not. I ask them if they are willing that only one-half the amount placed on the estimates last year be expended for the various public works in their districts—say, the North Island Trunk Railway, the Otago Central Railway, the Midland Railway, and various others. I say that those members, although they have spoken as they have done, and have had their words and figures scattered broadcast, to the delight of those on the Opposition benches, when those honourable

members have to go into the lobby to decide as to whether the votes shall decrease or not, every one of them will be found voting in favour of the estimates being passed. They will take care that the various votes, if not larger than those of last year, will at any rate be as large. That is precisely my position. I do not wish to be

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means an increase in the public works. Mr. SEDDON .- No; but that they are to go on. Mr. ARNOLD .- Well, I do not wish an increase in the public-works expenditure; but I say that the Government should go on at as reasonable and safe a pace as possible. I did intend to refer to a number of other matters, but the time-limit will not permit. In closing, I should, however, say a few words with regard to the Labour Department, and the other questions I shall have to hold over until the various Bills are before the House. I desire to congratulate the Labour Department upon the work that is being done by it. I find that the whole of the salaries paid by that department amount to only #2,890. I know that the work of the four city Inspectors is very heavy indeed. Throughout the whole day they have to remain in their offices looking after permits, keeping their books, attending to correspondence, and to various other matters. Then, during the evenings when the shops are closed, and also on half-holidays and holidays, they have to go through the length and breadth of their cities to see that the law is being kept. I am, therefore, very pleased to find that a small increase -I wish it was larger-is to be given to them. I wish to call the attention of those honourable members who are not greatly in love with the work of those Inspectors to the number of prosecutions in New Zealand during the last twelve months, and also to the number of convictions, and I think they will find that the number of convictions will prove that the Inspectors pause before they take any employer to Court, and that when they do so they have just grounds, as is shown by the evidence produced at the trials, and the result. I have already shown that the number of factories in the colony has increased to 6,744, which employ 53,460 hands. That certainly does not show that the manufacturers are closing their shops ; that certainly does not show that their businesses are not paying, and that they cannot get on. Whilst certain newspapers and honourable members speak so loudly with regard to the condition and the prosperity of the colony, we are glad to think that things are more comfortable than they previously were ; but while they talk like that I would ask them to read some of the evidence that has been produced, and which they have in connection with the Federation Commission's work, and they will recognise, as some of the workers have recognised, that there are other places that are equally as prosperous as New Zealand, and which some workers, at any rate, prefer to work in. I have wished to speak in connection with some of the other questions, but I have no time to go into them. I will do so if opportunity offers afterwards, but I do say this, in closing, to the Government : that I trust they will continue the policy they have been working out for the last ten years. I trust that, while it may be necessary to slow down a little as the Right Hon. the Premier has said, he will not call a halt or go dead slow, for immediately he Mr. Arnold prosperity there will be a time of adversity, and immediately the time of adversity comes he will find that those honourable gentlemen in this House who have been crying out so during the last few days will be the first to turn on him and rend him for that which has been the result. Mr. MASSEY (Franklin) .- Mr. Speaker, I do not think, Sir, it is necessary to reply to the remarks of the honourable gentleman who has just sat down. No doubt the honourable member is thoroughly conscientious in the opinions he has expressed, but so far, Sir, he has not had much parliamentary experience ; and probably when he has been in this House for a Parliament or two he will look at political matters from a different point of view from that from which he looks at them at the present time. In several respects this has been a most remarkable debate-remarkable, in the first place, from the fact that most of the hostile criticism in regard to the Statement has come from the Government side of the House; and remarkable, in the second place, from the fact that the Minister most immediately concerned, the Right Hon. the Treasurer, has been absent from the House during the greater part of the

time that his Financial Statement has been under discussion. That, of course, was not his fault ; and I take this opportunity of saying that I am glad to see him back in his place, and I congratulate him on having escaped from the storms and perils of the West Coast. But I am inclined to think that if he had stopped away a few days longer it would not have been necessary for him to come back at all, for in all probability we would have had a new Government, with, probably, the member for Ashley at its head, and the Seddon Government would have been a thing of the past. On this occasion we are at a considerable disadvantage in discussing the Financial Statement inasmuch as we have not been supplied with the reports of the great departments of State-the reports of the Railways, and Lands, the Post and Telegraph Departments. Then, Sir, I do not think that any one will deny that we should have the B .- 1 parliamentary paper, giving us the details of the revenue and expenditure for the last year. Of course I need hardly say that I am strongly of opinion that these reports and parliamentary papers are being kept back on purpose and in order to make it more difficult to criticize the Financial Statement, and that they will be forth- coming immediately the Statement is disposed of. Then, Sir, the Statement itself is as obscure as it is possible for words and figures to make it. It reminds me of a saying put into the mouth of one of his characters by Shakespeare, in the " Two Gentlemen of Verona," where he makes one say " You have an exchequer of words, but no other treasure." The Statement, in my opinion, does not contain a single original or statesmanlike idea ; it does not contain a single idea that is likely to be of benefit to the people of the colony; and, though I am prepared to admit that it does contain a certain amount of good advice about prudence and economy in connection with financial matters, still, coming

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reproving sin. Mr. SEDDON .- " Seddon," not " Satan." Mr. MASSEY .- I do not wish to suggest any We all know the Government comparison. have no more intention or idea of acting up to their professions now than they have had at It has any time during the past ten years. been somewhat refreshing to us to hear the ment. criticisms from certain members on the other side of the House. Here, again, it seems to me, a passage from one of the letters of "Junius" applies very closely, and I am going to read it for the benefit of the Premier : "There is a moment of difficulty and danger at which flattery and falsehood can no longer deceive, and simplicity itself can no longer be misled " It seems to me we have arrived at that stage when honest and conscientious men can no longer support the policy or doings of the Go- vernment in the way they have been accus- tomed to do. And there will be some hope for the country, and some prospects of a better state of things, when those members are pre- pared to back up their voices with their votes. any improvement in the Seddon Government Then, we have the member for Wellington City (Mr. Fisher) finding fault with those members who were conscientious enough to express honest opinions upon the Statement before the House -finding fault with them for their want of loyalty, and he went on to tell us that for ten formerly despised. "What a fall was there, years he had been a loyal supporter of the pre- sent Government. The honourable member has a very short memory. I can think of a time- not ten years ago - when the honourable gentle- did believe in them. man expressed himself as freely as those who have spoken in the course of this debate. Speaking of the Seddon Government in 1893, must not forget what he said with reference to this is what he said,- "Sir, already we have witnessed their fatuous folly, and before long we shall be called to jubilation about the success of floating the half- contemplate the fate of a Government which million loan locally, as it was called, although attempted to preserve an existence built upon I am inclined to think that the word " locally " popular applause, regardless of all that tends was not the proper term to use, seeing that the to the true welfare of the country. interest was made payable in London, in Mel- . It is said the country is now in a prosperous condition. Its prosperity is measured exactly try. Then, it has been stated, and in fact it has been admitted-the statement was made by by the extent of the industry of the pro- ducers of the country. To that extent it the Treasurer himself-that he had borrowed a is prosperous. But will it continue to be large sum of money from a company which had prosperous? I

hope it may, but, gauged by its headquarters in Sydney. Thus, besides pay- the experience of such Ministries as this, ing the interest, we shall be compelled to pay what is really likely to happen? The Liberal also the exchange between the two countries. Ministry of 1879 ended in complete disaster. Of course, I am quite willing to admit that it In 1887 another Liberal Ministry went would be a good thing for the colony if it out of office, leaving behind a deficiency of was not necessary to go outside for the money which we require ; but there are other circum- £728,000. Again, I ask, can the coun- try be said to be progressing when its ex- stances that have to be taken into account, What are those and if the Government is going to mop up all ports are decreasing ? gentlemen who sit on those benches? They the money at, say, 4 per cent., the effect will undoubtedly be to raise the rate of interest are the accident of an hour. The principles of Liberalism are eternal ; the men are mere acci- to the small borrower, to the man who wants to dents. Liberalism, truly so called, will go on borrow on the security of his land, or the trades- and on in this colony long after those gentle- men who require to go to the bank for accom- men have disappeared from the scene. Liberal- modation. Of course, my friend the Hon. Mr. ism will never die, but that form of Liberalism Mills, who is head of the department con- which is tainted with corruption -- and the cerned, may suggest that the farmers can go Liberal Governments of this country have to the Advances to Settlers Department for the never been free from that taint - that form money they require ; but it will be a sorry state never live. . If the Government were a true and honest Government, they would have my support. They are neither true nor honest. They shall not have my support." Those were the opinions of Mr. Fisher with regard to the Seddon Government. Mr. FISHER. - Not the Seddon Govern- Mr. MASSEY .- His opinion of the Seddon Government. Who was in office in 1893 ? Mr. FISHER. - Not the Seddon Govern- ment. Mr. MASSEY .- Who was in office in 1893 ? Was it not the Seddon Government ? Mr. FISHER .- Give us the names? That will tell. Mr. MASSEY .- Does the honourable gentle- man say that the Seddon Government has im- proved since that time ? Mr. FISHER .- When you have concluded your speech I will tell you who were in office. Mr. MASSEY .- I do not think even the honourable gentleman will say there has been since 1893. The change is in the honourable member himself. The once strong, self-reliant independent member for Wellington City, Mr. Fisher. has now become the supporter of and an apologist for the Government which he my countrymen ! " Mr. FISHER .- I will presently give you the names of the Government of 1893, in which I did not believe. Here are the names. I never Mr. MASSEY .- The honourable member the Seddon Government. Then, coming to the Statement itself, we have had a great deal of bourne, and in Sydney, as well as in this coun-

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of affairs for the farmers when the Government has a monopoly of the money-lending business, and when there is nowhere else for the farmers to go. But, Sir, coming back to this much- boasted-of half-million loan, it is well for us to remember that the colony paid interest on it for a considerable time before we received the greater part of the money. The conditions under which it was raised were as follows : Five per cent. on application, 45 per cent. on the 7th May, and 50 per cent. on the 4th June ; but we were paying interest on the whole of the money from the 1st April. So that when we take into calculation the loss made in this way, and the cost of advertising, which was particularly heavy- because it was adver- tised at length in every trumpery little paper from one end of the colony to the other - it will be seen that we are paying, not 4 per cent., but a great deal more. Then, what utter non- sense it is for the Treasurer to talk of taking £100,000 from the A.M.P. Society simply to oblige them. Why does not the Treasurer admit that he is borrowing all the money he can get hold of at a certain rate of interest ? And why does he not tell the House what the rate of interest is ? Of course, I am willing to admit here that it is necessary that money should be found for the purpose of carrying on the public works of the colony. I am afraid to think of what would happen if that army of co-operative workers whom we have heard so much of this afternoon and even- ing were turned adrift as unemployed. But what I do say is this : that in

connection with money matters we ought to " go slow " until at least the London money-market has resumed its normal condition. Then, we have seen from the special Gazette which was published a few days ago that the Government have raised another half-million in London at 4 per cent. More particulars are not forthcoming, but I presume the money has been raised upon short-dated debentures. The position is this : during the first quarter of the financial year the Government, as we know, has added between £1,100,000 and £1,200,000 to the debt of the colony. How much more will be added up till the end of the financial year it is impossible to say. And then the Premier talks about the good steamer " Finance " going along steadily, with the indicator standing at "slow." Why, Sir, the good steamer "Finance " has been running so long under high pressure that her fuel is almost exhausted, and her boiler-fires are now being fed with 4-per-cent. debentures, and, in view of the unsettled weather which seems to be approaching, it is doubtful whether a sufficient supply will be forthcoming to enable her to reach port. But her wily captain has his traps packed up and a lifeboat ready for launching, so that, on the first indication of danger, he may make for Fiji, where there seems to be a vacancy at present, or some other congenial clime, leaving the ship of which he so long has had charge to the owners and the underwriters. Then, Sir, with regard to the half-million which we had lent to the Bank of New Zealand by way of preference shares, there is very little to Mr. Massey be said. The Bank of New Zealand paid the money to the Public Trustee, as provided by the Act of 1895, and they were within their rights in so doing, and the Public Trustee re-invested the money in the securities of the colony. That is to say, it was lent to the Government, and no doubt the Government were exceedingly glad to get it, and would be exceedingly glad to get some more on the same terms. In the Financial Statement it is admitted that the public debt has been increased during the last financial year by no less a sum than £1,627,675-an enormous increase for one year. No doubt there are many honourable members, just as there are many people outside this House, who are anxious over this state of affairs. We are informed that at the 31st March last the public debt was £48,557,751 ; but this does not include Treasury bills which are outstanding to the amount of £700,000, so that the actual debt at the present time, or at least at the commencement of the financial year, comes to a great deal more than that - £49,257,751. And yet we find members like the honourable member for Wellington City (Mr. Fisher), and members like Mr. Mills, the Commissioner for Customs, who stood up and told the House this afternoon that although the public debt had increased during the last ten years by ten or eleven millions, yet that we are paying less in interest than we were in 1891. Mr. MILLS .- So we do. Mr. MASSEY .- What absolute nonsense ! I cannot understand any member with parliamentary experience making such a statement as that; but when we find Ministers of the Crown making such statements what are we to think of them ? Have members never heard of the alteration made in the method of dealing with the drawing loan of 1867, and how that affects the position so far as interest and sinking funds are concerned, or, if they have heard of it, what is their position ? The only conclusion that we can come to is that they are attempting to mislead the House and the public. If these members will look at the estimates they will find that the actual interest and sinking fund for last year was £1,957,188. That is the actual amount that has been paid. 9.30. Then, Sir, if we go to B .- 25, 1899, showing for 1891 the sum payable according to the present method of dealing with the drawing loan of 1867, we will find £1,660,237, and that deducted from the sum first named leaves \$296,951, which is the increase of interest and sinking fund in ten years. That is the actual position. Of course, it is only fair to admit that the sum includes interest on moneys which have been borrowed under the Land for Settlements Act and the Advances to Settlers Act. But, deducting these two items, which amount to \$137,963, there still remains a net increase of #158,988, which the taxpayers of this colony have to make up. Mr. MILLS .-- According to your figures. Mr. MASSEY .- And my figures are correct. The figures I am using are the figures of the estimates ; they are not mine at all. Then, Sir,

and, Sir, when we on this side of the House did as is usual, the Treasurer boasts much about his warning the Government that prosperity was not surplus—he always does—but I am afraid his perennial, that some provision ought to be surplus is largely a matter of book-keeping. made for the lean years, and that we ought to. However, he says nothing about his liabilities; save our credit, we were sneered at as pessimists but the liabilities unfortunately are there, and and Jeremiahs, and all that sort of thing. But are very much larger than they have been for the present position— and I am afraid worse is many years past — in fact, than on any previous coming—justifies our predictions. It is now occasion. The liabilities of the Consolidated our duty, unfortunately, to look at the causes Fund for last year amounted on the 31st March which have led to the present difficulty, and to £206,828 6s. 10d. ; the liabilities in the Public there is no doubt that one of the causes was the Works Fund amount to #1,292,095 1s. 2d. I passing of the Old-age Pensions Act, without do not wonder at the Treasurer feeling anxious making special and definite provision for its when he commenced to make up his Statement, finance, as we suggested at the time. In and expressing a difficulty to the West Coast connection with the passing of that measure. deputation about making ends meet. Then, in there is no doubt the Colonial Treasurer either . other accounts there are liabilities amounting misled the House or displayed woful ignorance : to \$39,147, making a total liability of £1,538,070. of the position. When the measure was before I hope, Sir, for the credit of the colony, that the the House he made an estimate of the annual Colonial Treasurer will be able to make ends cost to the country of the scheme, and in doing meet ; I hope he will have no difficulty in doing so, but I must say I do not envy him the task so said this :- he has in front of him. I understood the Treasurer just now to deny having expressed could successfully claim as being one-fourth of any anxiety about his finances. I will quote those in the colony over sixty-five years of age— his own words, as reported in the Lyttelton namely, five thousand—and the payment of five Times : - thousand at £18 a year would amount to £90,000. " The spending policy had been increasing at Then I ask, what would be a reasonable increase far too rapid a rate, and it was time to go slow each year? Then I put it if there was a total increase once more, or the consequences might be such crease of one thousand persons attaining to the as he scarcely liked to contemplate. For this age of sixty-five yearly, certainly not more than reason he was determined to cut down the ex- one-half would be able to claim a pension owing to the restrictions in the Bill. I therefore make penditure, taking care that there should be a fair apportionment throughout the colony. the annual increase of pensioners five hundred -- Discussing the ordinary balance-sheet of the that is, there would be five hundred additional colony, the Premier said that this also caused claims that would be admitted in every year, him very much anxiety. For last financial and working that out it means that in the second year they had an excess of receipts over ex- year the amount to be paid would be £99,000; penditure amounting to half a million ; in the third year, £108,000; the fourth year, framing the estimates for the current year he £117,000 ; and the following year, \$126,000. Now, I think I am not at all under-estimating, was unable to make the receipts equal the expenditure. The position must be faced, but and honourable members will see that it is not it was by no means a pleasant one." of such magnitude when we come to look into the matter carefully under the conditions which Mr. SEDDON .- never said anything of the are laid down by this Bill." kind. Mr. MASSEY .- I am sorry to hear the Right cost the colony €108,000. This, Sir, is the third Hon. the Premier deny it. year; and what is the cost? The cost is Mr. SEDDON .- When you have finished £215,000, or over £100,000 a year more than your speech I am going to prove it. the Treasurer estimated. I am afraid that Mr. MASSEY .- Of course, I have not the under present arrangements the old-age pen- slightest objection to that. But during the sions scheme will not stand the strain of hard Premier's absence a member of the House, and times. a Government supporter, stood up and told us that he was present at the deputation, and that that was a fair report of what occurred. Mr. MASSEY .- Well, I hope it will ; but Mr. SEDDON .- I have got his own report of what I think is that there will be some danger what transpired in the Nelson Colonist, and it of its breaking down

unless proper provision is varied it considerably. made for it. Then, there has been enormous Mr. MASSEY .- There seems to be a certain expenditure-much of it, I think, very unnecessary- amount of doubt as to what was said to the contrary-in connection with the South African war ; West Coast deputation ; but, leaving that subject and not only that, but also in connection with the subject, it is quite evident to any one of ordinary intelligence, from the facts and figures contained in the somewhat unusual events of the last twelve or eighteen months-the Royal visit, the visit contained in the Financial Statement itself, that of the Imperial troops, and the sending-off of the financial position of the colony is far from the contingents. However, the Government satisfactory, and it is not to be wondered at. have, in every instance, acted up to their When we think of the recklessness and extravagance - motto - that money is no object. They have increased the salaries, increased the number of gances of the last few years the only wonder is that the financial prosperity has lasted so long ; Ministers, and increased the expenses in consequence - " I therefore take the number of those who Then he said that for the third year it would Mr. SEDDON .- Oh yes, it will.

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in connection with every department of the Crown, and the inevitable result is in view, although it has not yet actually arrived. Mr. ATKINSON .- They are going to give us a rise, too. Mr. MASSEY .- I rather doubt it. Well, at this stage I think we ought to look at the position in the light of a return which was laid on the table of the House on the motion of Mr. Millar, the member for Dunedin City. The return, which I now hold in my hand, is a return of the value of the freehold lands and the amounts of mortgages on land in the colony. In the return we are informed that the value of the freehold land is £109,708,003, and that the amount of mortgages is \$35,032,110, leaving a balance of £74,675,893. Then, the public debt of the colony is \$49,257,751, and the debts of local bodies, not including loans borrowed under the Government Loans to Local Bodies Act, amount to £6,963,254. If we deduct these items from the sum I have mentioned we get £18,454,882. I suppose that is what would be called by lawyers the equity of redemption. Now, I admit-because I want to look at both sides of the question-that the colony has other assets besides those I am referring to. We have Crown lands and railways, for instance; but even then I think the position is sufficiently serious to make us hesitate about increasing the debt of the colony any more than we can help, or even to suggest an increase of the taxation ; because once the Treasurer admits he is unable to make ends meet, and that in consequence the taxation must be increased, down go our stocks, and the difficulties will be still further intensified. Then, there is a paragraph in the Statement about encouraging trade with South Africa. I think that trade should be encouraged with any country wherever it is possible to do business. But there are difficulties in connection with trade with South Africa which will be very awkward to deal with ; the principal difficulty being that South Africa produces nothing, or scarcely anything, for which there is any demand in this colony, and consequently steamers running to South Africa would have to return empty, or partly so; and unless we are prepared to pay a very heavy subsidy it would be almost impossible to secure regular steam-communication and reasonable freights for shippers. I shall quote the paragraph dealing with the subject : - "As illustrating the present situation and its drawbacks, I may state that offers were invited for a large order of oats from the Imperial authorities, with the result that offers came in from three large traders only : owing to the conditions farmers or small traders could not tender, and the Government were unable to obtain the oats within the price limited, and the order was probably lost to the colony. Such a condition of affairs is not in the best interests of the farmers. It is impossible for the Government itself to take small parcels of grain from the producers, but an opportunity of obtaining suitable freights should be given them to conduct their business as they think best." Mr. Massey We are told it is impossible for the Government to take small parcels of grain from producers. Why impossible ? I do not believe in the Government coming into competition with private individuals any more than can be possibly helped, but there are special circumstances in connection with receiving large stores of oats for the Imperial Government which ought to be

taken into consideration, and I think, instead of going to half a dozen large firms asking them to supply the order, the Government should have made the conditions of the offer public, they should have advertised the price they were prepared to pay for a first-class article on behalf of the Imperial Government, and they should have given the producers of the colony themselves an opportunity of supplying the demand. I do not think there would have been any difficulty in the way. Every bag should have been sampled and inspected by an officer appointed by the Government, and he should have been an expert at the trade ; but to simply go to two or three large firms, and to refuse the offer because those firms said they were not able to supply it-I say that such a proceeding was not consistent with the anxiety the Government profess to have on behalf of the small farmers; I say it would have been time enough to refuse the offer when the farmers themselves admitted their inability to supply it. Coming to the question of the mortgage-tax, I regret the Right Hon. the Treasurer has not seen fit to keep the promise made to the House last year that he would reduce the mortgage-tax, even if he was not able to abolish it altogether. I am sorry he was not able to keep his promise, because I am one of those who consider the mortgage-tax a most unfair and objectionable tax from every point of view. It is contrary to the principle upon which we impose taxation for general Government purposes. Our Land-tax and Income-tax Act provides that for purposes of general taxation improvements on land should be exempt ; but mortgages include improvements as well as the unimproved values and consequently the mortgage-tax is to that extent a tax upon improvements. Then, it is unfair in this way : that it does not apply to the Advances to Settlers Department, by which the Government practically acts as agents for the English money-lenders; but it does apply to people who lend money in our own country, whether they lend it through the lending departments of the Crown or privately, and consequently it places our own people in a most unfair position. Then, there is not the very slightest doubt that it has the effect of increasing the rate of interest to the borrowers, because if a man who owns money is taxed for lending it in any particular direction he will naturally pass the tax on to the borrower whenever it is possible for him to do so. I would suggest to the Right Hon. the Colonial Treasurer that he should remit the mortgage-tax wherever the rate of interest charged by the private individual is not higher than the rate of interest which is charged by the lending departments of the Crown. It is, of

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course, well known to any one who has looked cablegrams in our papers that the producers in into the subject that the land-tax and the Australia are agitating in that direction. There mortgage-tax-which is really a part of the are very few people in the colony at the present land tax-is very much heavier in proportion time. with the exception of merchants and than the income-tax. Take, for instance, the business-men, who have any idea of the im- case of two men, each owning, say, £8,000 : one mense amount of business that we have been man puts his money into Government debentures with Sydney. I have looked up the figures at the current rate of interest-namely, figures for last year, so far as agricultural produce 4 per cent. You will find that the tax works duce is concerned, and I intend to put some of the more important items on record. For the out in this way : £8,000 at 4 per cent. gives an annual return of £320. The exemption is year 1900 we exported- \$300, so he will be taxed 6d. in the pound on \$20, making a tax of 10s. per annum. Potatoes Let us suppose that the other man lends his Malt money on land, also at 4 per cent. The man Oats who lends his money on landed security will Wheat have to pay a mortgage-tax of 1d. in the pound Maize on \$8,000, making £33 6s. 8d. per annum. Beans and peas When the two taxes apply it works out in Barley this way: One is taxed, as I have said, 6d. Flour in the pound ; while the other, on the 4 per- Bran cent. basis, is taxed no less than 2s. 1d. in Bacon the pound. Now, Sir, the Treasurer tells Cheese us in his Statement that it is necessary Onions to recoup in one direction what is lost in Butter another. I admit the time is inopportune for Oaten meal suggesting anything in the way of reductions, Hides but if he wants to recoup in any direction he Grass-seed should reduce the exemption

on the income- Tallow tax. A very small reduction would be sufficient Wool (greasy) . to make up for the loss of the mortgage-tax ; but such a reduction would tend to equalise Timber matters, which are very unequal at the present time. Then, there is a very peculiar paragraph Timber (logs) .. in the Statement with reference to federation I am afraid that on every one of these articles with Australia. It says this :- -which are nearly all free at the present time- "The tariff of the Commonwealth has not Customs duties will be charged, and to our dis- as yet been submitted; but, inasmuch as some advantage. Of course, it is not to be supposed eight million pounds is required to meet reve- that I consider timber, for instance, to be an nue requirements, it may be taken for granted agricultural product ; but it is an important that there will not be any serious altera- article of export, and one of particular im- tions in the Australian tariffs, nor is it likely portance to the Provincial District of Auckland. that the Federal tariff will materially affect I am not going to argue in favour of federation the trade relationship as between New Zea- with Australia, because I recognise that, rightly land and the Commonwealth. A cordial and or wrongly, a large majority of the people are friendly feeling exists between this colony and opposed to it at the present time. But what I the Commonwealth, and there is no foundation do say is this : that the farmers and producers for the fears of many that, because New Zca- of this colony should have been represented on land has not deemed it prudent to federate, the the Federation Commission in proportion to farmers of this colony will, in sending their their numbers and the importance of the in- products to Australia, be penalised." dustry, and such was not the case. I could Why, that is just the very reason there will have written out the report as soon as I saw be serious alterations, and especially with those who were to compose the Commission. I hope ports where we have been doing the largest the Farmers' Union-whose business it will be to see that justice is done to the farmers amount of business. It is well known that we have been doing an immense amount of busi- will see that justice is done in such respects ness with Sydney, because, so far as we are as this, as well as in other matters-or, to concerned, Sydney was practically a free-trade quote the member for Avon, that "they will port : but the Commonwealth Act provides that know the reason why." A few years ago we were told that if we did not federate there within a certain time, which is specified-I would be no difficulty in arranging a reciprocal think it is two years from the inauguration of the Commonwealth - there shall be uniform tariff with the Commonwealth. We have not heard much, however, of reciprocity lately. I tariff rates in the different States ; consequently hope the matter has not been lost sight of, be- on many articles which are now free Customs duties will be levied, and this, I am afraid, will cause I am strongly of opinion that it would be an advantage both to this colony and to the especially be the case in connection with agri- cultural produce. We can hardly expect any- Commonwealth if arrangements were entered into for a free interchange of goods between the thing else, and already I have noticed from Value. £ 12,114 tons 21,120 .. 216,905 bushels .. 49,551 1,017,824 93,265 . . 84,551 9,201 . . 170,540 21,726 . . 36,993 5,632 9,739 81,178 570 tons 3,119 4,137 1,507 . 4,131 1,579 cwt. . . 13,144 30,523 2,735 25,554 1,525 6,680 25,072 centals .. 11,105 11,260 14,920 number 4,783 4,122 bushels .. . 8,650 + 449 tons . 431,502 lb. 14,204 . . (scoured) 733 1b. 34 (undressed) .. 26,127,662 ft. 98,369 .. 10,120 ft. 30 .

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. was raised by the member for Auckland City (Mr. Fowlds). I do not want to discuss the single- tax with the honourable member, or anything of that sort, as some honourable members may imagine, because I recognise that the single-tax is not at present within the scope of practical politics, and it will be quite time enough to answer the arguments with reference to the single-tax when single-taxers are able to return more than one representative to Parliament. But the point I wish to refer to is this: The honourable member discussed the position we have got into with regard to the Legislative Council. He pointed out - and I want to in- dorse what he said -- that at the commence- ment of the present session of Parliament there were forty-seven members in the Legis- lative Council. and that twenty-nine of those members were

representative of the South Island, and eighteen representative of the North Island, though the recent census has shown that the population of the North Island is greater than the population of the South Island. There is another point worthy of notice. The present Government since they took office have, so far as I have been able to make out, appointed twenty-seven gentlemen to the Legislative Council, and it goes almost without saying that every one of those gentlemen was a Government supporter. No matter how good a colonist a man may have been or what service he may have rendered to the State-he may have been Premier, like Sir John Hall, or Chief Justice, like Sir James Prendergast, or leader of the Opposition, like Mr. Rolleston-if he did not support the Government at election-time, then the Upper House was not available for him. Personally, I am quite of opinion that the Upper House has outlasted its usefulness ; but, so long as the taxpayers have to pay for it, I think it should be fairly representative of the different districts of the colony. When I was speaking on a previous occasion - I think it was on the Address in Reply-I referred to the fact that in the Cabinet at the present time there are six members from the South Island and only two from the North Island. Now I come to another fact, and it is that in the Legislative Council there are twenty - nine members from the South Island and only eighteen from the North. I really cannot understand how a sensible, level-headed man like the honourable member for Auckland City (Mr. Fowlds) can support a Government that is guilty of so much injustice to the district he is supposed to represent. There is one paragraph in the Financial Statement that I agree with-to the effect that the farmers of the colony are successfully endeavouring to increase the output of dairy produce. I tried to get the figures for last year's export of butter to Britain from the principal dairying countries of the world, but without success. I have, however, taken out a comparative table showing the imports of butter to Britain for the years 1895 and 1899, and which I wish to place on record. It is as follows : -

Country	1895	1899
Mr. Massey	£ 1,113,956	£ 153,401
Canada	1,051,358	982,682
United States	271,776	704,061
Russia	633,696	685,493
Argentina	100,332	17,364
Norway	153,937	70,239
Denmark	5,948,463	7,553,436
New Zealand	232,009	543,367

These are the latest figures I have been able to obtain, with the exception of those for New Zealand, which last year increased its exports to Great Britain to £710,105. In the matter of dairy produce, I am convinced that we can hold our own with any of those countries I have referred to, and there is nothing discouraging in the figures I have just quoted except on one point. What I am afraid of, however, is this: It is well known that in the Provincial Districts of Wellington and Taranaki land has been changing hands at prices far beyond its real value, owing, I presume, to the good prices which have lately been obtained for dairy produce. In many cases most of the money is allowed to remain on mortgage, the purchasers evidently being under the impression that the present prices will continue. But if they do not continue, and I for one do not think that they will, then many hardworking and industrious settlers will have difficulty in making both ends meet. I notice, too, that the Government has been purchasing blocks of land at very high prices for the purpose of cutting them up into dairy-farms-some of them at from £20 to \$25 an acre. Imagine a farmer going on to 100 or 150 acres of land at that price. It would cost him £3, £4, or \$5 an acre, as the case may be, for the necessary buildings-residence, stock-yards, subdivisions, et cetera ; so that if he takes his own outlay into account-and in most cases it will be necessary for him to do so-he will have to make by way of rental from 22s. 6d. to 27s. 6d. per acre, and I say it is too much to expect. And I say, further, that, in connection with the purchase of this high-priced land, it would be as well for both the settlers and the Government of the colony to go slow. Now, Sir, in the course of this debate we have heard a great deal, and especially from the honourable member for Auckland City (Mr. Napier), who seems to be very fond of that sort of thing-we have heard a great deal about Liberalism, about " the principles of the great Liberal party." and "the Liberal Government." But, Sir, I do not know that the present Government or their supporters have any particular claim to be considered Liberals. Of course, if wasteful expenditure and extravagant administration are indications of Liberalism, then no one will deny them the use of the term. If taking care

of themselves and their friends are indications of Liberalism, then they are equally entitled to it. If inconsistency and opportunism are indications of Liberalism, then they are in the front rank of Liberals. But what I maintain is this-and I believe I am correct in saying it : that there

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and better Liberals in the country opposed to the Government than the followers of the Premier. Why, Sir, it has often amused me, when I hear these people so anxious to assert they are Liberals, to think how proud they were of being dragged at the chariot-wheels of the present Conservative Government in England. It must be evident to any one of ordinary intelligence who looks at the public affairs of this country that, however applicable the terms "Conservative " and " Liberal" may be to Imperial politics, they do not apply to the politics of this country. The people of this country, so far as politics are concerned, may be divided into two classes-Seddonites, or the supporters of the present Government, and anti Seddonites, those who oppose the present Government. I have to admit that the Government at the present time have an overwhelming majority in this House, a majority, I am inclined to think, they have acquired by questionable practices, and by the making use of public moneys for party purposes. Mr. WITHEFORD .- Not in my case. Mr. MASSEY .- Not in your case, I admit. I was going to remind the Premier of some- thing he already knows- that there are thou- sands of people in the colony at the present time that were formerly misguided enough to support the Government, misled by plausible professions of honesty and economy, but who now stand aghast at the position we have got into, and who look with alarm at our financial position - at the extravagance on every hand and the industrial unrest that prevails. Sir, it requires no prophetic spirit to see that, if we are to avoid disaster, the scatter-cash policy of the past few years must be aban- doned, and the public affairs of the colony managed more carefully and with more regard for the principles of political economy than has been the case at any time during the past ten years. In the Financial Statement it is custom- ary for the Colonial Treasurer to boast much of the prosperity during the few years previous, and this Financial Statement is no exception to the general rule. On page ix. of the State- ment there is a series of tables intended to show that the colony is very much more prosperous now than it has been during any previous period, and there is no doubt one point which it makes quite clear-it proves conclusively and beyond all possible doubt that the amount of money extracted from the pockets of the tax- payers, directly and indirectly, at the present time is greater than it was in 1891, when the present Government took office. But, Sir, coming to railways and land-settlement, I think that the tables are most unfair and mis- leading-and, by the way, I was amused at an interjection of the Premier's this afternoon with regard to the boasted-of concessions and reductions on our railways. My mind went back to the honourable member's position as a member of the Assets Board, which consists of three members, of which the Right Hon. the Premier is one. Does the Premier know that the Assets Board does not use the railways of this or produce to market they use the roads of the colony, or water-carriage wherever possible ? So it is evident the Premier's own company do not appreciate the concessions that have been made. But, coming to the railways, we are informed that the railways paid last year £3 9s. 8d. per cent., and we are told that in 1895 they only paid £2 14s. 6d. Of course, the meaning is quite clear. But what was the position in 1895? 1894 was the last year during which the Railway Commissioners had charge of the railways; Mr. Cadman, as Minister for Railways, took them over on the 1st January, 1895. Now, I do not think there is any member who will assert that Mr. Cadman was biassed in favour of the Commissioners. This is what Mr. Cadman says in his first Railways State- ment :- "The railways, however, earned about £40,000 for services rendered to the colony, but not paid for. Had this amount been credited, the earnings would have been £2 19s. 9d. per cent. These unsatisfactory results are due principally to diminished business, the chief cause being the lessening of the spending- power of the people, owing to the great fall in prices of our staple products and the almost entire stoppage of the export of wheat." The important point is this : Mr. Cadman says the railways earned

£40,000 for services rendered but not paid for by other departments. At that time the other departments did not pay for the services of the Railway Department, but they do now. So that, according to Mr. Cadman, the railways, if the present system had been in operation, would have paid in 1895 £2 19s. 9d. per cent., as against £2 14s. 6d. according to the Statement. But there is another factor to be taken into account. At that time Parliament voted very little for what is called "improvements on open lines"; but any member of the House, and most of the people of the country, knows that at the present time hundreds of thousands are appropriated annually for rolling-stock and other improvements on open lines. But, as I have said, prior to 1895 those improvements and additions were paid for mostly out of revenue, so that really there is no comparison between the two years referred to. Now, coming to the Lands Department, we are informed that the revenue for 1891 was £350,551, and we are further informed that the land revenue for last year was \$431,338. Most people are under the impression that at present land revenue and territorial revenue mean the same thing. I venture to say there is not one member of the House but believes such to be the case. But on turning to the other side of the page we find the territorial revenue for last year was £270,203. Whence this discrepancy? How is the difference to be accounted for? I admit that I am unable to explain it. I assume that the sum of \$431,338 includes the land-for-settlement rentals; but if it includes the land-for-settlement rentals then I contend that the interest on the land-for-settlement debentures should be shown on the other side of the

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account; but that is not the case. And the amount of the land-for-settlement rentals would not make up the difference. I do not know whether it includes interest paid in connection with the Advances to Settlers Department; I do not think it does; but I do think it includes rates on education and other endowments. I have moved for a return showing the details, which I hope will be forthcoming. However, I think I have said quite sufficient to show that the figures given on page ix. of the Financial Statement are absolutely misleading and have no value whatever. Now, it is quite evident I shall not have time to finish my notes, but there is another point I should like to refer to, and that is the position of the North Island Main Trunk Railway. I am glad to gather from the Financial Statement - though I should be better pleased to see it in the Public Works Statement - that at last reasonable progress is being made with it; but, so far as I am personally concerned, I should be more satisfied if the work connected with the larger bridges and viaducts were let by public tender. There has been so much waste of time and public money and so much bungling in connection with the construction of the Makohine Viaduct that I have lost all confidence in the ability of the Public Works Department, or of the Government, to successfully carry out public works on the co-operative principle where skilled labour is required. Even in connection with ordinary earthworks I am satisfied that the taxpayers do not get fair value for their money under the co-operative system. Then, there is a very brief reference in the Statement to the San Francisco mail-service. I do not propose to discuss that question at the present time, because I have no doubt that better opportunities will be given later on. But what I want to say is this: that there are two matters in connection with which the people of the Auckland Provincial District will stand no nonsense. These two matters are the completion of the North Island Trunk Railway and the retention of the San Francisco mail-service. They want the promise made last year, with regard to the North Island Main Trunk Railway, kept - namely, that it will be completed within three years from now. And they want the retention of the San Francisco mail-service, with Auckland as the port of call. And any Government that does not do justice to Auckland in reference to these two matters will receive a very bad time at the hands of the electors. Just a word with regard to the outlook for the colony. I agree with what has been said by previous speakers - that the outlook is anything but encouraging. The low price of wool, if it continues - and I am inclined to think it is going to continue for some time to come - will affect the purchasing-power of the people, and consequently the revenue - not only the Customs, but the railway revenue. Then the price of cereals is so low as to make

it impossible to grow wheat in this country at a profit. We know, too, that there is a probability in the near future of the South African war being brought to a close, and we hope it will be brought to a close ; but, if so, there will be a falling-off in the demand for oats. What the price of oats would have been during the last eighteen months without the demand from South Africa, it is impossible to say. Then, in regard to frozen meat, we are being pushed very hard by the Argentine Republic, and in all probability we shall find them very awkward competitors to deal with. But, Sir, it seems to me that the affairs of the colony require at present very careful management, and it behooves us, if we wish to hold our own and to make reasonable progress, to settle down to the development of the natural industries of the colony, particularly the agricultural and pastoral industries, in a proper business-like and systematic manner, and without any more class or experimental legislation, and without increasing the drain upon the colony any more than can possibly be helped. Mr. FISHER (Wellington City) .- I wish to make a personal explanation. The honourable member for Franklin, in the course of his remarks, quoted from Hansard some observations I made in reference to the Ministry in 1893, and I wish to explain to the honourable member for Franklin and to the House that I do not wish to vary or qualify those statements in any way whatever. On the contrary I endorse them. When Sir Robert Stout, who was not a member of Parliament, formed the Ballance Ministry in January, 1891, he included in that Ministry certain persons whose names I could never have approved of, and whose names would never have been approved of had they been submitted to the members of the Liberal party. This is the Ministry of which I disapproved -- An Hon. MEMBER .- What year ? Mr. FISHER .- 1893. These are the names : Hon. R. J. Seddon, Hon. Sir Patrick Buckley, Hon. W. P. Reeves, Hon. John McKenzie, Hon. J. G. Ward, Hon. A. J. Cadman, Hon. James Carroll, Hon. William Montgomery. I have already said that the members of the Liberal party would not have approved of these names had the names been submitted to them. The Ministry of which I did approve, after the alteration in its personnel, was this Ministry : Right Hon. R. J. Seddon, Hon. John McKenzie, Hon. A. J. Cadman, Hon. James Carroll, Hon. W. C. Walker, Hon. W. Hall-Jones, Hon. T. Thompson. Now, can any gentleman sitting on the Opposition benches quote any remark made by me in derogation of this last Ministry, the names of which I have given? I spoke in opposition to the Ministry of 1893 because from its inception I objected to its composition. There were men in that Ministry who had no right to be placed in a position to represent the Liberal party of New Zealand. Now, Sir, the Premier afterwards, in referring to the acts of the Ministry of 1893, in relation to myself, speaking in Wellington on the 7th December, 1896. said,- " He (the Premier) wished to refer to a matter which was right he should do at this

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time, and it was this: that in 1890, when the Liberal party came into power under Mr. John Ballance, their late respected chief, Mr. Fisher was approached by the party in respect to filling a high and honourable parliamentary position, and Mr. Fisher asked himself (Mr. Seddon) if the offer was genuine, and he gave Mr. Fisher an assurance that it was, so far as Mr. Ballance was concerned; but when the party met in caucus afterwards they refused to carry out the wishes of their chief, and consequently the Liberal party did a wrong to Mr. Fisher. Now, human nature was human nature, and all are liable to err, and naturally Mr. Fisher was annoyed at the manner in which he had been treated. At the same time, if he (Mr. Seddon) had been chief of the party, and there were those of the party who for their own ends or from spleen would place him in a false position and refuse to give effect to honourable pledges, then they would have to get another leader. ' Does it not appear clear, in regard to the Ministry which took office in January. 1891, that if there was not an actual feud, at least there was a very distinct want of harmony between myself and the Ministry, because of the inclusion in its ranks of three persons to whom I strongly objected. I say, and I say it now with greater force, that a large and powerful party such as ours ought to have been consulted. That is the custom in England and in every part of Australia in regard to the selection of a Ministry; and so I say in regard to all appointments to a Ministry. That is my answer to the

remarks of the honourable member for Franklin. Sir, I have gone over this ground time after time; and I am happy to say that reparation has been made to me by the Premier of this country. The honourable member for Franklin may revive this subject as often as he pleases, but he may take this assurance from me, that any time he or any other member of that attenuated party refers to this subject I shall be prepared to give them always a ready and willing answer. Mr. SEDDON. - I take this opportunity again, Sir, Captain RUSSELL. - Is the honourable gentleman replying ? Mr. SEDDON. - No; you will get a reply quite soon enough, and one not to your liking. Captain RUSSELL. - I rise to a point of order. The right honourable gentleman has no right to speak unless he is addressing himself to the question under debate. He has no right to interfere in the ordinary course of the debate, unless he has been misrepresented and wishes to make a personal explanation. Mr. SEDDON. - That is just what I wish to do. An Hon. MEMBER. - The Premier has not been misrepresented. Mr. SEDDON. - I have been grossly misrepresented. Mr. DEPUTY - SPEAKER. - The Premier knows that rule full well. Captain RUSSELL. - The Premier knows that rule; but you, Sir, know the rules a great deal better than the Premier, and you have the power to enforce them. The Premier has not told you that he is rising to make a personal explanation; and if he does, I hope you will keep him to a personal explanation, and not allow him to wander all over the debate. Mr. SEDDON (Premier). - Sir, when the member for Franklin made an incorrect statement in his speech I said I would set the matter right when he had concluded his remarks. The misrepresentation that not only the honourable member for Franklin but other honourable members have made, and which has appeared in public print, was to the effect that I had said to a West Coast deputation that, -- "The spending policy had been increasing at far too rapid a rate, and it was time to go slow once more, or the consequences might be such as he scarcely liked to contemplate. For this reason he was determined to cut down the expenditure, taking care that there should be a fair apportionment throughout the colony. Discussing the ordinary balance-sheet of the colony, the Premier said that this also caused him very much anxiety. For last financial year they had an excess of receipts over expenditure, amounting to half a million; in framing the estimates for the current year he was unable to make the receipts equal the expenditure." Sir, that is pure fabrication. I do not wish to use a stronger term; but if any member of the House will stand up and say I made such a statement, I shall compliment him by telling him he is dreaming, or that he has a vivid and wonderful imagination, or that he has a most defective memory. Sir, another passage states this :- "And now it would be necessary to look for more revenue to meet the deficiency." That is pure invention. The statement I made was that, as the estimates of expenditure and revenue had been presented to me by the department, they caused me anxiety. I had not gone into them myself, and I said so. As regards more revenue, what I said was this : "I will not allow you or members of Parliament to force me into asking for two or three millions of money for public works, because the revenue will not at present stand the payment of interest on an additional borrowing of three millions and a half." I said, too, that rather than be forced into a squandering and borrowing policy I would leave the Treasury benches. One of the members said, "Oh, well, you are from the West Coast, and while you are there we want to make good use of you." I said, "That may be your idea, but you are not going to make use of me;" and the Nelson Colonist went so far as to say my liver was out of order, and I had bordered on the discourteous, in fact, said I had been rather discourteous to the deputation. Now, no member of the deputation made notes of what was said, and there were no reporters present. If statements like this are to be made I shall really not consider myself safe to have deputations in my room unless I have my own

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denial, Sir, I have made before, and I now repeat it. The Nelson Colonist of the 8th August, in a leader referring to what had appeared in the Lyttelton Times, says :- "His reply seems to have been scarcely courteous, and certainly far less consideration was shown for the requirements of the districts interested

than has been shown the people of Canterbury and Marlborough." Mr. PIRANI .- Who is it from-"our own correspondent " ? Mr. SEDDON .- I do not know for a certainty who contributed the paragraph purporting to be a report of what took place. It was some time after the deputation that the report appeared in the newspapers, so that whoever sent it to them must have given it from memory. The fact of the matter is this: If any statement is made and is heard by several parties, and these parties are asked subsequently to each give their versions of the matter, it will be found that no one version will agree with another. Mr. MASSEY (Franklin) .- In reply to the Treasurer, I wish to say that I trust the honourable gentleman will admit that I quoted the paragraph correctly as it appeared in the Lyttelton Times. I hope the honourable gentleman does not deny that ? Mr. SEDDON .- No, I admit you quoted correctly what was stated in that paper. Mr. MASSEY .- Then I can only repeat what I said before : that the member for Nelson City told the House that, having been present at the interview, the report as it appeared in the Lyttelton Times was a correct report of what was said by the Premier, as far as he could recollect. Mr. SEDDON .- I have seen the speech of the member for Nelson City in Hansard. An Hon. MEMBER .- The Hansard with the speech is not out yet. Mr. SEDDON .- I have not seen it stated in Mr. Graham's speech that he vouched for the report being correct, and if the honourable gentleman has said so he is labouring under a misapprehension. Mr. Graham had said he was present when statements were made which would give rise to what was printed in the paper. Sir J. G. WARD (Minister for Railways) .- Sir, though the time is very limited-less than five minutes-I will say a few words to-night within the short time at my disposal, and finish my remarks when the House meets to-morrow. As the honourable member for Franklin commenced his speech by giving us a quotation from Shakespeare, " You have an exchequer of words, but no other treasure," I also will commence by giving him a quotation from Shakespeare. In all probability he realised that, in consequence of the lame and impotent and very indifferent criticism which four members on that side of the House have uttered against the Statement -- An Hon. MEMBER .- Five. Sir J. G. WARD .- Well, it is a quintette, then. Now, Sir, perhaps he will apply this to himself :- Mr. Seddon ing-more than any man in all Venice; his reasons are as two grains of wheat hid in two bushels of chaff : you shall seek all day ere you find them, and when you have them they are not worth the search." Mr. MASSEY .- That applies to the Statement. Sir J. G. WARD .- Sir, it applies to my honourable friend's utterances with regard to the Statement, who said that it contained an exchequer of words and no treasure. Then my honourable friend went on to criticize the Statement. If it contained no treasure, why bother about it at all. And then he complained of the absence of certain public documents from the table. He complained of the absence of the Railways Statement, of the Postal and Telegraph Statement, and of the Lands Statement, and also of a document known as " B .- 1." Now, for the information of honourable members, I will give them some idea of the trouble experienced in other countries with regard to laying papers on the table containing information similar to that contained in B .- 1. They will then be able to realise how much, or, rather, how little, there is in the contention that these returns are deliberately held back by the Administration of the day. The honourable member knows that there is no single statement that could help him in his criticism if he had these reports upon the table. In fact, he admitted himself that he was unable to finish his speech, as it was, within the hour limit. The honourable member for Bruce also made a similar statement with regard to the non-laying upon the table of the B .- 1 paper. Now, Sir, in New South Wales, on the 22nd April, 1899, the Auditor-General presented the public accounts of the colony for the year ending the 30th June, 1898; that was, that nearly twelve months afterwards he presented what is equal to our B .- 1 for the year ending the 30th June, 1898. In Victoria, on the 19th September, 1900, the report of the Commissioner of Audit upon the public accounts for the year ending the 30th June, 1900, was presented. In Western Australia, on the 31st January, 1901, the Auditor-General reported on the public accounts for the 30th June, 1900. That was seven months after the date of the expiry of the financial year. There is no use honourable members opposite trying to throw

dust in the eyes of members of the House. The very same methods are required to furnish the information contained in B .- 1 as are required on "the other side " to obtain these returns; and in one case it took nearly twelve months, and in the other seven, and in the last case about three months. And yet those honourable gentlemen are everlastingly doing as the honourable member for Franklin has done to-night, stating that these returns are held back purposely. What utter nonsense! The departmental reports are of the most favourable character to the Government, and it is to our disadvantage that they are not on the table. An Hon. MEMBER .- We have had them be- fore.

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with them ? Nothing but stew over them, and wondered when you got them how you could use them. The honourable member talks about the extravagant expenditure of the Go- vernment as something calculated to excite the alarm of the people. Now, in the limited time at my disposal I will give an idea of the sin- cerity of honourable members in this respect. At the close of last session of Parliament the honourable member for Franklin went north and addressed his constituents, and here is an extract from his own speech to his constituents, and on saying what I am now going to read they applauded him to the echo. And it should be remembered that in this House the honour- able member says he wants economy in our expenditure ; he is prepared to preach economy -to preach, as I understand it, drastic economy. He is prepared now, according to his utterances, to go in for an enormous reduction in the public works expenditure. Mr. MASSEY .- I did not say that. Sir J. G. WARD .- He knows what is coming now. What did the honourable member say to his constituents ? He said this :-- "Possibly the most interesting business that came before Parliament last session was the attempt on the part of Auckland members to have justice done to Auckland, and remove the state of isolation in which she existed, by the completion of the North Island Main Trunk Railway, which ought to have been completed long ago. They had not been so successful as he could have wished, but more progress was made than in any other session. The net result was a vote of £130,000 for the line, or nearly double what was voted the previous year, and more than double the amount that was expended." No wonder the House laughs. My honourable friend comes here now and talks about the increase of the public debt alarming the people. He not only has helped to increase it, but he wants more. If he is sincere, and if honourable members who have spoken in the same strain are sincere, such as the member for Nelson City, the member for Ashley, the member for Riccarton, the member for Wairarapa, and the member for Dunedin City (Mr. Millar)-if they are sincere, let them show their sincerity by sending in a requisition to the Government saying they are prepared to reduce the public-works ex- penditure by half a million, not by spilling their brothers' blood, but by reducing the expenditure in their own districts. Let them set a practical example of economy in this way, and then other honourable members, believing them to be sincere, will join with them and do likewise. If they are not prepared to do that, to have the expenditure withdrawn from their own constituencies, what value can any one place on their professions? None whatever. If they did take the course I am suggesting, what would occur? We would find those honourable members from this side who have formed the preaching economy quintette relegated to another sphere, not in this House, but, along with those on that side of the House, years to come, because we know that in their developing constituencies public money must be expended legitimately for the purpose of providing for their necessities ; and so it is with the country generally. I do not say we should blindly borrow for these purposes, but I do say a careful and yet vigorous policy is essential, and in the very best interests of our colony. Debate interrupted. The House adjourned at half-past ten o'clock p.m. LEGISLATIVE COUNCIL. Wednesday, 4th September, 1901. Death of Sir John Mckenzie - Death of the Hon. J. Kerr: The Hon. the SPEAKER took the chair at half- past two o'clock. PRAYERS. DEATH OF SIR JOHN MCKENZIE. The Hon. the SPEAKER .- I have received a letter from Mr. John Mckenzie, thanking the members of this Chamber for the kind message of sympathy which was sent to him through the Speaker. DEATH OF THE HON. J. KERR. The Hon. Mr. W.

C. WALKER .- Sir, I am sure that every member of the Council will feel as deeply as I do the sad occurrence which has taken place since we last met. The Council has lost the services of a member who was very highly respected, and whom only to know was an honour, and whom every member appreciated and held in affectionate regard. I do not think there was any one in the Council who was more closely connected with the late Mr. Kerr than I was, and since the day of his appointment to the Council to the day of his death nothing occurred, either publicly or privately, between him and his fellow-Councillors but what was of a kind which was in the nature of establishing in the hearts of all of us the respect due to him, as regards the sincerity of his public opinions and the earnestness of his public life. He was a gentleman of warm convictions, but he was able to express those convictions with perfect sincerity, and yet never to hurt the feelings of those from whom he differed. It was a melancholy satisfaction that I and other members of the Council were able to be present at his funeral and show his family and his neighbours how much he was respected by the Council, and how much we regretted his death. Sir, I beg to move, without notice, That this Council do now adjourn, as a mark of respect to the memory of the late Hon. James Kerr. The Hon. Captain BAILLIE .- Sir, I rise to second the motion which has been moved by the Minister of Education. The honourable

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ago, was present with other honourable members, and took an active part in the discussion, as he always has done during the tenure of his seat in this Council. He was a man who was upright in all his ways. He had made many friendships in this Council, and we all concur, I am sure, in what has been said by the Minister. The honourable gentleman will be sadly missed by his fellow-Councillors. Of course, I only speak for myself, but I am sure all the members of the Council will agree with me when I say that the Council as a whole feels sympathy with the widow and the family of the late honourable gentleman. The Hon. Mr. PINKERTON .- Sir, I would not like the motion to be passed without adding a word in indorsement of what has been said by the Minister of Education. I had not the pleasure of the Hon. Mr. Kerr's acquaintance until he was appointed a member of the Council, but at the same time I can bear testimony to the fact that even as an opponent he was generous, and that as a friend there was no one more trustworthy. I am sure that he is one whom we can very ill afford to do without in the Council. I regretted very much indeed when I heard of his death, and I do not think there is one of us who does not feel that the Council has sustained a severe loss in the death of our colleague. The Hon. Mr. TWOMEY .- So far I have taken no part in any discussion such as that now before the Council, for the reason that I have always thought it proper to leave all references to such subjects to the older members. But, Sir, I had so much esteem for the late honourable gentleman, Mr. Kerr, that I would like to say a word or two on this occasion, more especially as it is not likely there is any more work to be done to-day, and, consequently, I shall not keep honourable gentlemen in the Council too long. I do not think in the course of my life I have met a more sincere, a more honourable, and a more just or more upright man than the Hon. Mr. Kerr. That is the opinion I formed of him during the short time-covering the three past sessions, this being the fourth-that we have been acquainted. Sir, I do feel that this Council has lost in the departed gentleman one of its best members, one of its truest men, one whom it could very ill afford to lose, and I am certain that there is no one of any party or any sect in this Chamber who does not deeply regret the sad loss of the late Mr. Kerr. I really think that, considering the worth of the honourable gentleman who is now no more, this tribute to his memory is being allowed to pass too briefly. I tell honourable gentlemen that they might show a little more feeling, and that, Sir, is my excuse for trespassing on the Council : I thought a little more feeling might be infused into the subject. It is Nature's stern award to all : we all shall come to this some day. I certainly trust in our case the end may not come so suddenly or unexpectedly as it has to the late Mr. Kerr. I merely wish to say that I regret-very deeply regret-the unex- Hon. Captain Baillie of whom it might be said,- His life was gentle, and the elements So mixed in him, that Nature might

stand up And say to all the world, This was a man ! The Hon. Mr. FELDWICK .- Sir, as one of those twelve members who were called to the Legislative Council in 1892, and of whom the late Mr. Kerr was also one, I desire to add a word or two to the tribute that is now being offered to the memory of the late Mr. Kerr. It was my privilege, in company with the Right Hon. the Premier, the Minister of Education, the Hon. Mr. Jennings, and the Hon. Mr. Rigg to go to Greymouth to attend the funeral obsequies of the late honourable gentleman. I need say little about the esteem in which the late honourable member was held in this Council, but I would like to say to the Council a word or two as to the regard in which the honourable gentleman was held in the locality in which he had lived for the best part of his life. The feeling in the district was not merely one of speaking well of the dead. The feeling was that of absolute love for our late departed colleague. I saw the body in the coffin, and I witnessed the grief of the bereaved family, and it was a home of grief indeed. I fully indorse all that has been said about the honourable gentleman in the Council to- day. A characteristic of his nature was that he was a fair man all round. He never voted at anybody's beck and call, and never said any- thing unless he had something that was worth saying. There was this too that was noticeable about him : When he had something to say he received the almost rapt attention of the mem- bers of the Council, because his honesty and the sterling nature of his character always made itself felt, and always impressed us. Sir, it was a melancholy satisfaction to me to have had the privilege of being one of a deputation to represent the Council on the day of the funeral of the honourable gentleman, and all I need say is that he was a just man, an honest man, and a true man, and I close my remarks with these two lines :- The sweet remembrance of the just Shall flourish when he sleeps in dust. Motion agreed to. The Council adjourned at ten minutes to three o'clock p.m. HOUSE OF REPRESENTATIVES. Wednesday, 4th September, 1901. Exclusion of Strangers-Commandant of the Forces -Financial Statement. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. EXCLUSION OF STRANGERS. Mr. SYMES (Egmont) gave notice to ask the following question : If the Government will, by

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immediate steps for the exclusion of strangers from the lobbies and library during sitting- days of the House ? Mr. SEDDON (Premier) said, on this matter he would like to make a statement to the House. Complaints had reached him of the wholesale violation of the rules in respect to this matter, and he wished to ask honourable members to support the library authorities in enforcing the rules. On sitting-days and other days there were boys in the library, and people were taken there. The library was now con- venient to the entrance, and advantage was taken of that. Of course, it had not been so easy to do this when the library was in the old building. Now that the library was more ac- cessible from the front of the building mem- bers, instead of taking their friends into the waiting-room, took them into the library. Members going in there now would find ladies and gentlemen and youths in the library on sitting-days, and he must point out that the rules could only be maintained with the assistance of members. It was unpleasant for the officers of the library to have to ask visitors for their tickets, or to appear to be officious in any way; but the rules must be enforced, and it was for members to assist the library authorities in enforcing them. He believed there was a responsibility cast upon himself. Captain RUSSELL .- No. Mr. SEDDON said, At any rate, there was a responsibility upon some one, and, as members had complained to him about it, with the leave of the House he brought the matter under the notice of the Deputy-Speaker, and would ask bim to give this information to the House, and request the members to support the library authorities in future. Mr. HOGG (Masterton) had a few words to say as a country member. When any of his friends came down from the country to see him in the House on business matters there was no accommodation whatever for them. They had either to stand about in the open air or amongst the crowd of people who were usually waiting at the entrance. Only one room was provided for the whole of the members of the House when any of their friends wished to see them on important business, petitions,

deputations, and so on. He had endeavoured, over and over again, to gain admittance to that room, but he generally found some people in advance of him. It was almost impossible at the present time for any member to secure a private conversation with any of his friends or constituents. The accommodation provided for strangers visiting the House to interview the representatives of their districts was something shameful. Mr. FISHER (Wellington City) thought the better course would be to throw the whole building open to the country generally. They threw it open already to the newspapers, and they gave up rooms for Racing Conferences and other things, and to the general public at any hour of the week. He intended to invite half days. Mr. DEPUTY-SPEAKER thought this discussion ought not to continue. It was his duty during the absence of the Speaker, as Chairman of the Library Committee, to at once convene a meeting of that body and bring under the notice of the Committee the grievance complained of that afternoon, and he had no doubt the Committee would take immediate steps to see that the rules were not infringed in future. Mr. R. MCKENZIE (Motueka) said there were a good many Committee-rooms in the building, but he was given to understand that Ministers used from eighteen to twenty of those rooms for the accommodation of themselves and their Secretaries. When this matter was considered by the Committee, he would ask that the question of Ministers and their Private Secretaries being shunted to the Government Buildings be also considered, so as to allow the general public and members to have reasonable accommodation in the House. COMMANDANT OF THE FORCES. Captain RUSSELL (Hawke's Bay) gave notice to ask the Hon. the Minister of Defence, Whether Colonel Henry, C.B., Northumberland Fusiliers, had accepted the position of Commandant of the Forces in New Zealand ; and, if not, what steps were being taken to fill the vacancy in that office which would happen in October next ? Mr. SEDDON (Minister of Defence) said he might be allowed to answer that question at once. Colonel Henry, he was sorry to say, did not see his way to accept the position which the Government had offered him. He (Mr. Seddon) had received a cable to that effect from the Agent-General, and also from the War Office, and intimating to the Government that they were endeavouring to select another fitting officer for the position. # FINANCIAL STATEMENT. INTERRUPTED DEBATE. Sir J. G. WARD .- When I was interrupted last evening, I was calling attention to the fact that the difference between performance and utterance, as indicated by the speech of the honourable member for Franklin, was very extraordinary. The honourable member was condemning the large expenditure of the colony with one breath-irrespective of the fact, as I pointed out, that before his constituents he dilated on his success in having extracted £130,000 from the public Exchequer and before he concluded his speech last night he was urging this House to provide for enormous expenditure for particular works in the North ; and in addition to which, that if a certain mail-service was dropped-apparently no matter how extravagant the demand of the contractor - there would be trouble for the colony. That is how the honourable gentleman, I presume, first gave us so much of his precept ; but when it comes to an ounce of practice he is quite ready to take all he can get in the shape of the loaves and fishes. Now, Sir, the honourable member said

their professions during the last ten years, and to emphasize it he resurrected from one of Junius's letters the following : "In moments of difficulty and danger, flattery and falsehood cannot deceive, and simplicity takes its place." An Hon. MEMBER .- Those are not the words. Sir J. G. WARD .- Sir, I say that is very nearly the quotation of the honourable member as I took it. At all events, it is near enough for my purpose. Sir, I can only say, in reply to the honourable member, that flattery and falsehood are evidently in the minds of some people, who are urging in the one breath that we should reduce our public-works expenditure enormously, and in the other are urging that large public expenditure should take place in their particular districts. Sir, I say if they are sincere they ought to ask the Government to largely reduce the public expenditure. And one of the best ways to do it, and at the same time to show their sincerity and earnestness and practicability as well, is for these members, who are the reflex of the opinion of their own

constituencies, to show the Government the works in their districts on which expenditure can be reduced. They have a special knowledge of their own districts, and they will be better able to show the Government in what directions expenditure can be reduced in their own localities, and so effect a reduction all over the colony. The honourable member said, If this extravagant expenditure went on unchecked a position of affairs would arise in this colony that would be disastrous ; and yet he advocated retention of the co-operative workers-the very backbone of the whole public-works expenditure -and he had to admit that more money was wanted, or otherwise a backward condition of affairs would result. The honourable member had the North Island Trunk Railway in his vision when he made that statement about co- He knows perfectly well operative workers. that the North Island Trunk Railway is being made by co-operative labourers, and he knows the Government are determined to push it on ; and it again shows that he is anxious to preach in one direction but to practise in another. He knows that his seat would be unsafe, and that he would not again grace this House with his presence, if he advocated that the co-operative workers should be put off, because that would mean at once the stoppage of the North Island Trunk Railway. That is an illustration of the sincerity of honourable members who are asking that there shall be a large reduction in the public-works expenditure; but the moment it touches their own quarter they are anxious that the co-operative workers should be kept going ; and he is naturally anxious that the North Island Trunk Railway and other public works should be kept going as well. To whom, then, does the extract from Junius's letter apply to- to the honourable gentleman and his friends or the Government? We openly practise what we preach ; they preach the very opposite of what they wish and would have the Government do. The quotation, or at least a portion of it, aptly applies to them. Now, on the Sir J. G. Ward honourable gentleman took exception to the fact that the old-age pensions had risen from £108,000 to £215,000. The honourable member did not tell the House that the Premier, when he made that forecast of £108,000, did so under different circumstances from those which prevail now. Does the honourable member not know that no Maoris were included in the old-age pensions scheme at first ? Hon. MEMBERS .- They were. Sir J. G. WARD .- I say originally they were not. Yet the honourable members keep that information to themselves, and let it go forth that, with only Europeans having the rights, the Old-age Pension Fund has increased from £108,000 to £215,000. Many restrictions in the Bill when it was first before the House have been removed, and the honourable members opposite urged that the scheme should be made general. Their object in doing that was to try and crush the scheme by the excessive amount that would be required, and when they cannot crush it in one way we find them trying to do it in another ; and you have these honourable members coming before the House and making statements-that are necessarily disseminated among the people of the colony-that the old-age pensions scheme, instead of costing £108,000 is costing £215,000, ignoring the fact that the Maori population is now included in that. And surely the Maori population has a perfect right to receive benefits under this humane scheme-an equal right with those who are old and infirm Europeans. The honourable member keeps that very important fact entirely in the background. Then the honourable member says the mortgage-tax has not been given away this year; and the honourable member for Nelson City, Mr. Graham, says the same thing. Why do they not say what they are prepared to do ? Why do they not give an indication that they are prepared to have the mortgage tax repealed, and to raise an equal amount by having an increase in the graduated land-tax. An Hon. MEMBER .- What right has that question to come up ? Sir J. G. WARD .- It has every right to come up. It has been indicated by the Government that we can only have a remission of the mortgage-tax by the substitution of some other system of taxation. Are they then, I ask, prepared to increase the graduated land-tax upon properties above, say, #15,000 or £20,000 ? If they are prepared, let them show their willingness by making the suggestion, and the mortgage-tax will soon go. Let us see some indication of their sincerity, not merely in precept, but in practice, and they will find the Government is quite prepared to meet them in the direction that I have

indicated. But honourable members, representing those whom they do in this House, want all they can get, and to give nothing whatever in return, and then they are prepared to find fault with the Government, and to point out all manner of misdeeds according to their own point of view. Then, there is this question of the complaint regarding the increase of departments and

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because of his family bereavements, and to the honourable member for Franklin, the give his children the benefit of a milder honourable member for Nelson City, the honour- climate. Placing his family before every- able member for Ashley, the honourable member for Riccarton, and Mr. Millar, the member for thing else, he decided to leave this colony ; and he went away with great regret so far Dunedin City, have all complained of this. But as the Government is concerned. To show who is responsible for the increase ? Every one how utterly wrong the honourable member for of those gentlemen. The member for Bruce Bruce is, I may say the Government was pre- voted for the increase of the departments, and pared to and did offer Mr. Hudson a better there is not a single one of those who now com- salary to remain in New Zealand than he now plain who did not support the increases. I will receives in Tasmania. But, Sir, the honour- put on record the departments that have been able gentleman had hardly uttered the words started and that have caused the increase. We when we find him immediately afterwards call- have started the Public Health Department, ing attention to the fact that we were increas- the Industries and Commerce Department, the ing the salaries upon the estimates, and saying Tourist Department, and the Old-age Pensions that those increases were improper. And other Department. Then, there is the School for the members of this House have done the same Blind, Technical Instruction, and the Labour thing. Now, one word about these increases Department, the South African contingents, upon the estimates. Those honourable mem- and the Valuation Department, and, with per- bers have been endeavouring to make the haps an exception here and there, all those country believe that the Government have now complaining have supported the creation been increasing the salaries of the higher of these departments. officials, and my friend the honourable mem- Mr. J. ALLEN .- No, they did not. ber for Wairarapa, who feels very earnest about Sir J. G. WARD .- The honourable member this, and is, I am sure, very sincere about the for Bruce may have been an exception, but even matter, went so far as to say that when the he supported the creation of the large majority House is in Committee upon these estimates he of the departments. But I should like to point would move to reduce every item in order to save out to the House that, independent of the non- expense. Sir, when I tell honourable members recurring expenditure, there is not one of these that outside the classified departments of the departments but is conferring immense benefit service - which, of course, work automatically upon the colony, and some of them are paying under the law that governs them-the total the colony very handsomely indeed. Then, honourable members who make that statement increases to heads of departments, which point very unfairly- as some have done-to he so much deplores, amounts to only \$250 for the whole lot, how much expense the very large increase upon the consolidated is he going to save by moving that these estimates, which we are all anxious to keep down. The Government is as anxious to keep increases be struck off? Now, as to the that down as any one else can possibly be ; but increases of salaries, let me tell the House while they point to the increase on the con- that the bulk of them are to . men receiv- ing under \$300 per annum. There are 802 of solidated estimates, and tell you that it has gone up by £1,220,000, they do not tell them-men who have received £5, £10, or £20 increases. Those men have to support their you that at the same time, and for the very same period, although we reduced taxation wives and families. They are from their sur- roundings compelled to maintain their positions last year by #350,000, the consolidated re- properly. Honourable members must be aware venue has increased by £1,660,000. And that that the cost of living is greater now, and it has is what they ought to do. I say our revenue is been so for some time past. Rents are higher, now #440,000 more than our expenditure on the consolidated estimates, and

which, had we not the cost of meat and the cost of coal have gone up, and yet when these men who have to sup- given away £350,000 last year, would have been port their wives and families, and the majority \$700,000 greater than our expenditure this of whom are receiving a mere pittance when year. I say it is wonderful. Does not that it is proposed to show them some slight con- clearly point to the fact that the growth of sideration for their past services, we find that trade, the development of the interior of our the honourable member and other honourable country, and the material changes that have taken place, though they have rendered neces- members are going to move that their salaries sary an increase in the consolidated estimates, be reduced in Committee. have caused more than a corresponding increase increases when the cost of living goes down ? in the consolidated revenue, and shows extra- And let ordinary progress and advancement ? me here say that some of those honourable live. If you are not going to recognise your members-the honourable member for Bruce- employés at all, if you are not going to give lamented the fact that Mr. Hudson, our highly them any increases at all, you cannot expect to get the same good results from their work as valued railway officer, had been allowed to go you would by treating them as men and giving away from this colony because he was not them a fair remuneration for the services they properly paid. Now, the honourable member render to the country. We have a Civil Ser- in making that statement made a statement vice in this country of which we ought to be that was contrary to fact: he went away proud, and, because some honourable members on account of private family trials which VOL. CXVIII .- 11 An Hon. MEMBER .-- Will you take off the Sir J. G. WARD. - Sir, let us live and let

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get an imaginary notion into their heads that | in salary which we offered him, but because he our finances are dislocated, the first thing they do is to make a set at the unfortunate Civil servants and reduce their salaries to a paltry pittance. Take the salaries of the higher officers. Mr. ATKINSON .- Start on Ministers. Sir J. G. WARD .- The honourable gentle- man can start anywhere he likes. He knows perfectly well Ministers are indifferent to any- thing of the kind. ' We endeavour to do our duty. We give the country value for the money received, and most of us could make a great deal more outside if we had never come on to the Treasury benches. As to my honour- able friend Mr. Atkinson, he makes so much at his business that I feel sure he would never take a seat on the Ministerial benches, even if he had an opportunity of doing so. There are 880 increases on the whole of the estimates, and of those the great bulk is represented by the 802 who receive under £300 per annum. Some of the increases are to men receiving £75 a year, £100 a year, £150 a year, but none of them to those receiving over \$300 a year. Now, with regard to the higher salaries, what is paid to the principal officers of the Railway service outside the colony :- General Manager or Commissioner. Chief Mechanical Chief Engineer. Engineer. Colony. Mileage. £ 12,801 Queensland .. 1,000 1,500 1,400 1,200 New South 2,777 2,500 1,060 1,200 1,100 1,500\ Wales 1,500 Victoria 1,100\ 1,000 3,186 3,500 1,250 South Aus. 900 1,875 1,500 1,100 tralia Western Aus- 1,500 1,000 1,355 800 tralia Cape Colony 1,400 1,000* 900 1,000 1,990 700 New Zealand 700 2,306 1,000 * And £200 construction allowance. The late General Manager of the Tasmanian Government railways is now receiving £2,250 per annum as general manager of the Chillagoe Railway and Copper-mines Company, Queens- land ; and the Victorian Commissioner recently left Victoria to take up a position as general manager of the Midland Railway Company, England, at a salary of \$5,000 per annum. In this country during the last six months some of the best officers of the Railway Department have had higher salaries offered to them by other countries than they are getting in New Zealand, and yet we expect them to stay here. In one case one officer who was offered a higher salary to leave our country agreed to stay here, not merely because of a slight increase Sir J. G. Ward was born and trained in the colony, was brought up in the Railway service of the colony, and was attached to it. He stayed here rather than accept a higher salary out- side the colony in another Railway service. Then, take the Postal service.

In New Zealand positions which cost £1,750 for the three principal officers cost in Victoria £2,660, and in New South Wales £2,720. Then, in the Money-order Branch in New Zealand what we pay \$500 per year for costs Victoria £1,100, and New South Wales £1,350. Then, again, another officer in the Postal service in this colony receives £400, whilst in a similar position in Victoria and New South Wales the salary is £550. Our men are not inferior to any of those in the other colonies, and yet we treat them as though they were. The Government recognise that if we want to keep our officers we must give them reasonable salaries in order to do so. Those honourable members seem to think the Government give increases without considering all the circumstances. The Government do nothing of the kind. Our desire is to see these officers paid fairly, not excessively, and that for the services they render to the State they should have fair remuneration. We do not want to see our best officers leaving our service and going to other places if we can keep them here by Manager treating them in a fair and reasonable way. Chief Traffic The honourable member for Bruce said that two millions and a half of our loans are not quoted on the London Stock Exchange. The honourable member is saying what is absolutely incorrect. There is not a single loan of this country that is not quotable on the London Stock Exchange. Mr. J. ALLEN .- I say I am right. . . Sir J. G. WARD .- The honourable member ought to disclose the source of his information if he thinks he is right. I may say that I make this statement officially as from the Treasury : that the whole of our loans are quotable on the London Stock Exchange. What possible reason could there be for not quoting our loans ? Our stock stands as high relatively as the stock of 900 any other country, and there is no reason why we should not disclose to the British public that our loans are there for them to invest in in the ordinary way. Then, the honourable member made other charges against the Government. The gravamen of his charges was that we have the power under statute to borrow certain moneys under the Government Advances to Settlers Act, also for the acquisition of private estates, for the dairy industry, and for other purposes. Does the honourable member mean to tell me that this country is going to allow these departments to languish and die for want of money ? He might just as well pray that the moon shall be brought down as suppose that the people of New Zealand are going to stop these valuable institutions, which have been created entirely for the benefit of the people. And the honourable member for Riccarton said that the speech of the honourable member for Bruce was the most brilliant financial speech ever heard in

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the Government have done in connection with There is no 'accounting for taste. If the honourable member for Bruce could have his the expenses incurred over that visit ; and no way he would move for the repeal of the laws which have conferred such advantages on the further charges that may be made, even if they amount to an extra £100,000. As farmers of this country. He would not borrow for advances to settlers ; he would not borrow soon as the Government is in a position for railways, roads, or bridges. He would sap to indicate what the extra charges are this will be the very vitals of our industrious settlers, not letting the country know the full cost of and the member for Riccarton, in sympathy with him, says this is brilliant finance. The honourable member for Auckland City (Mr. Fowlds) deprecated the fact that there is a preponderance of southern Ministers in the Ministry. The honourable member, I think, regard to the remarks of the honourable member will not gainsay the fact that the North Island has received the fullest consideration from the Ministry. I have never yet found in my peregrinations throughout the beautiful North a disposition on the part of the people to relegate myself or any member of the revenue of our railways we should pay for benefit of the Ministry to private life. There is no doubt that the people recognise that we have endeavoured to do what is fair to the colony as a whole. I think it is time the country got over any feeling of provincialism, and should recognise that the best men he wait until he had earned that amount or possible are selected for the positions of take it out of his earnings, or would he in Ministers, irrespective of where they may the ordinary way borrow the amount and live. I think, indeed, that the

country already recognises that. I should not like it to charge to the business the interest upon it? Of course he would, unless he was go forth that the Government or the (overn- ment party were in sympathy with my honour- money without injury to his business. able friend in his ideas with reference to taxing heard the honourable member for Geraldine the land. The honourable member suggested say that the views of the honourable member that by raising the land-tax to 1d. and 3d. we for Ashley were sound upon this matter. I would be able to get a very large increase of thought at the time he was joking; but I would revenue-I think he said the whole of the tell both honourable gentlemen that if they revenue required. want increased rolling-stock for our railways Mr. FOWLDS .- No, you quite misunder- it cannot be got in this way. If, however, the stood me. money was to be got from revenue in the way Sir J. G. WARD .- What was the amount ? suggested, an enormous sum would have to be Mr. FOWLDS .- £294,000 for each 1d. principle is both unsound, undesirable, and im- Sir J. G. WARD .- Yes, that was what I practicable, and the first to feel it would be the understood. The honourable member spoke of producers, as higher rates would be absolutely the effect upon the whole of the land-tax essential. It would be a policy of retrogres- pavers in the colony. I took a note of his sion. While complimenting the Railway De- figures at the time, and I worked out what it partment generally, the honourable member for would mean to the land-tax payers of the colony, Kaiapoi found fault with it for not doing and I found it represented no less than £46 per certain things, and complained particularly annum to each of them ; and that would be an with regard to the shortage of wagons. Now, enormous increase upon the people, particularly Sir, as we have heard so much on this subject, upon the average small man. The honourable I desire to place one or two statements on member is, I have no doubt, sincere in his record which, I think, will be of interest to advocacy of this system, but I venture the' members and the country generally. From opinion that if it were attempted to be adopted time to time, since I have had control of the the country would rise up against it. That is railways, some honourable members have been my view, which I wish to place upon record. asking the Railway Department to make bricks Now, Sir, with regard to the complaint of the without straw, but I have not yet found any honourable member for Napier that the total honourable member who can do so himself. cost of the Royal visit to the colony is not The following is a comparison of locomotive given in the Financial Statement, I would say rolling-stock on the New Zealand Railways on that all the Government can do is give in the the 31st March, 1895, and the 31st March, Statement the actual charges that have been Government would attempt to keep back any be done. The Government have no reason for this Imperial visit. It was a great and memo- rable visit, the cost of which the country will not in any way grudge. Sir, that is my answer to the honourable member for Napier. With ber for Ashley, perhaps I should say- But of all plagues, good Heaven, thy wrath can send, Save, save, oh ! save me from the candid friend. I would ask, What is his idea on finance in connection with the supply of rolling-stock for our railways? Why, Sir, he suggested that out the whole of our rolling-stock ; but what would that mean compared with an ordinary business transaction ? If a business-man proposes to erect a structure at a cost of, say, £20,000 in order to further develop his business, would a millionaire and could spend his own I taken from the pockets of the people. The

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1901, showing the actual increase and what the increase should have been in proportion to in- creased traffic :- Locomotives. Brake-vans. - CarR. Stock on 31st March, 1895 .. 269 498 204 305 603241\|10,627 Stock on 31st March, 1901 .. Increase, 1901 over 1895 36105\| 37 What increase should have 169314 129 been had stock been added to in proportion to traffic -viz., 63 per cent. Deficiency on basis of in- 133 209 92 31st creased traffic to March, 1901 . Stock ordered and to be built 59'117 27 year ending 31st March, 1902 65 74 92 Deficiency to 31st March, 1902 That, Sir, shows matters accurately, and also gives the present position. Some honourable members complain that the Government has done wrong by going out of the colony for its rolling-stock, but I wish to emphasize the fact that had we not

done so the whole country would have been in a complete mess. We have made all we could with the appliances at our disposal in our own country, and we have also imported, and we are still far short of what the Some honourable growth of traffic demands. members say that we ought to have got the rolling-stock from Great Britain, and not from America. To this I would say that I too believe in going to British countries for what we cannot make here ; but what are the facts in this parti- cular case? Although we distributed an order over four different firms in Britain, they have not yet delivered more than half the supplies. Although this may seem strange, it is never- theless true that if we had gone to America for these supplies we would have had the whole of it in the colony within five months from the time of giving the order. That is the difference between the two count ies. and why the colony was compelled to place a portion of its rolling- stock in America. Time was of the first conse- quence to New Zealand, and we spread our orders in Great Britain over four manufactur- ing firms and have not got our supplies vet. Everything we ordered from America for prompt delivery was got long ago. Now, I want to point out to honourable members, in regard to the complaint about the difficulty of the truck-supply, what has been done in New Zealand compared with other countries, and that is the only way in which to judge this matter. The following is a comparison of the tonnage carried in the various colonies, with tons carried per wagon, for 1900-1901 :- Sir J. G. Ward Tons Tonnage carried Colony. Wagons carried. per Wagon. New Zealand 3,461,331 10,868 318 .. Wagons. Cape Colony 1,261,03% 7,412 170 .. Queensland 1,688,635 6,141 275 .. South Australia 236 1,488,985 ; 6,288 Westralia 1,384,040 4,777 289 Tasmania 8,264 312,446 1,166 268 From this return you will see that we have 2,363 carried 318 tons per wagon, as against 289 tons, the next highest. This clearly indicates that 5,206 our wagons have been used over and over again. and that the very utmost has been taken out of them. Now, I shall give you another com- parison of what has been done in New Zealand 2,843 and other countries with regard to locomotives. The following is a comparison of the tonnage hauled in the various colonies, with tons hauled 1,812 per locomotive, for 1900-1901 :- Tons hauled 1,031 Tonnage Colony. Locos i per hauled. Locomotive 305 New Zealand 3,461,331 11,348 475 Cape Colony 1,261,038 2,654 .. 835 Queensland 1,688,635 5.040 353 South Australia 1,488,985 4,218 233 Westralia 1,384,040 5,940 Tasmania 67 312,446 4,663 .. That is an enormous strain that is put upon the railway-wagons in this country. We have a traffic per locomotive of almost double that of any of the other countries named. An Hon. MEMB+ R .- What section ? Sir J. G. WARD .- Over all the railways of the colony. I allude to this important point to direct the attention of honourable members to that which I think they ought to know . that the enormous burden of traffic going on here has been a tremendous tax on the railway rolling-stock, including locomotives and wagons, to say nothing of the tireless energy it has en- tailed upon the staff ; and that the complaint has been minimised to a large extent is compli- mentary, I think, to the railway service as it ought to be pleasing to every member of this House, and it certainly must be satisfactory to the country as a whole. From what I have shown I do not think the honourable mem- ber for Ashley, the honourable member for Kaiapoi, or other members who have spoken have any good reason for seriously complaining as far as this branch of the service is con- cerned. We will not cease to do our utmost to improve matters, and I hope, before I am done with the railways, to still reduce any cause for complaining. Now, with regard to the ap- pointment of Mr. Louisson to the Legislative Council, the member for Ashley made a strong

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connection with that matter. It was a very is no authority. I said, any great authority on finance. I had not for a moment thought of unfair charge, and for this reason: I tell the the honourable member for Bruce in this re- House that the promise made to appoint Mr. spect. I repeat, if the honourable member for Louisson to the Legislative Council was made before the Right Hon. Mr. Seddon was Dunedin City (Mr. Millar) read some of the Premier of the colony at all. It was made great financial authorities he would find that before his time. I suppose members of this what I said was correct : that, as long as you House know

that in all matters of the kind are borrowing, to set aside sinking funds is im- no man can get to the Legislative Council proper. I can show that this is so very easily. before he is invited to take a seat there ; Supposing a man was building a warehouse to cost £20,000 and he was building it by degrees and surely it will be an unfair position for any Government to ignore a promise made to cover a period of, say, five years. He bor- in an honourable way. I have not heard rowed £5,000, in the first instance, and spent yet-though I have heard honourable mem- it on the first part of his building. Now, would bers taking exception to it-I say I have not not he be the quintessence of an idiot if he put beard, in all my travels, any one in Canter- away £500 every year to pay off that £5,000 for bury say a word against the personal character a building which was to cost \$20,000, and of Mr. Louisson. He has occupied the honour- upon which he had yet to expend £15,000? able position of Mayor of the principal city of Canterbury, and he is highly esteemed ; and surely it cannot be because of the nature of his lions, what is the use, for the mere sake of business that the opposition to his being a telling the world and the people that you are Legislative Councillor is shown : that cannot paying into a sinking fund - what is the use be so, as no man's calling should debar him of putting your hand in your pocket and paying from taking an honourable position politically, five or ten thousand a year if two or three if. he ob ained it in an honourable way. The years afterwards you are going on to the money- Government in this matter are perfectly clean- market to borrow more ? According to some of handed, and Mr. Louisson is perfectly clean- the best financial authorities it is absolutely handed ; and whatever opinion may exist in re- ludicrous to create a sinking fund to repay a gard to the appointment, it was made in a fair loan while you are still borrowing. It is far and honourable way, and wi hout anything im- better to get your money as cheap as you can- . say, 3 per cent .- and provide for the legitimate proper being done by either the members of the Ministry, or of Mr. Louisson. requirements of your country's wants. And yet members have been declaiming before the An Hon. MEMBER .- It was the result of a people of the country to try and make them promise. Sir J. G. WARD. - Why should not the pro- believe that something improper has been done in connection with the finances of the colony mise have been made ? An Hon. MEMBER .- It was in fulfilment of a because the sinking funds have been released. Another fallacy was propounded by the honour- promise, and not as an honour for Canterbury, that Mr. Louisson was called. able member for Dunedin City (Mr. Millar). Sir J. G. WARD .-- Why should not the He referred to the fact that the Government had allowed the Bank of New Zealand to sell promise have been made ? If a promise was \$500,000 of preference shares, and he expressed made that in the future the honourable mem- ber should be transferred to the Legislative the opinion that it would have been better to have retained these and to have allowed the Council, we should fulfil it; and if any honour- able member took exception to it we would be £500,000 to have been paid off the guaranteed \$2,000,000. That is a debatable point which able to point to the fact that it was not because I am not going to discuss now, as it would take my honourable friend was a Prohibitionist that more time than is at my disposal; but he pro- he was called, but because of his character and fitness. and that that was the reason why he pounded the extraordinary theory that, because \$500,000 had been paid to the Government was put there; and that is why Mr. Louisson is there. I hope, Sir, to see the honourable it would mean a loss to the colony of some £17,000 a year. I never heard such a thing. member there some day, and I trust he will If the colony gets £500,000, and invests it for live long enough and until he is old enough to be there. Now, Sir, the honourable member the benefit of the people in, say, purchasing for Dunedin City (Mr. Millar) made one or two estates, and opening them up for settlement, or in making roads or railways, does it not create extraordinary statements. First of all, he said an asset, and earn interest on it as soon as it is that the colony had lost live assets by the used ? The very reason we get it is that it may sinking funds being released. I never heard be invested for the benefit of the people, and to such a statement made as to lose live assets because the sinking funds are released. Were say that we are incurring a loss because we are getting this \$500,000 is not justified by the they live assets before

they were released ? position indicated by the honourable member. Were they not invested assets ? If he will Then, again, it was astonishing to listen to the read some of the great authorities on finance honourable member for Riccarton on the ques- he will find that, as long as a colony is borrow- tion of the alteration made by me when Colonial ing, it is wrong and improper to create a Treasurer in connection with the drawn loan. sinking fund. Did honourable members not hear the honour- An Hon. MEMBER .- Rubbish. Of course he would; and if the country 3.30. is borrowing ten, twenty, or fifty mil

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system had not been adopted by the colony we should be paying £180,000 a year more for interest than we are paying now ? An Hon. MEMBER .- He put it in a different Way. Sir J. G. WARD .- He may have done so, but that is what the honourable member for Riccarton conveyed. I am glad to hear that the honourable member for Wakatipu is the keeper of the honourable member's intentions in his absence. I listened to the honourable member for Riccarton. I may, of course, have made a mistake as to what he said ; but I am generally fairly well able to grasp a thing-I hope, as able to do so as my honourable friend- and what he said was that if we had not gone in for this drawn-loan system we should be pay- ing £180,000 more interest than we are now- in fact, I think he gave our interest account with this amount added to it. What was the system adopted for ? Why, for one reason, to effect a saving in interest ; and, having effected it, to come and tell the House that if we had not done a particular thing at a particular time we should be going to leeward to the extent of the saving is about as logical as saying that if we had not borrowed money at all New Zealand would not owe any money. Of course, that is logic, according to the honourable member ; but for the honourable member to put forward such a statement as that, in order to show how much worse off we ought to be to-day, is a most extraordinary thing indeed. The honourable member for Riccarton complained about the increase in the indebtedness of the colony, and honourable members must have noticed his quivering voice-indeed, you could almost see a quiver in his eye from here-when he said that he actually trembled to think what the consequences might be if we were not able to obtain money in the English market in twelve months from now. He might have said that, unless the people of this country were completely bereft of their senses, and had a set of men on these benches who did not know how to steer the colony in times of trouble, then disaster might arise. Any one can carry things on under easy and favourable conditions ; any man can sail a ship in a fair wind ; but it re- quires a navigator to be at the helm, assisted by a loyal and non-mutinous crew, when the ship is in troubled waters off a lee-shore, to steer it off the shore and into placid waters. What is the lee-shore so far as this colony is concerned ? Is it that, in consequence of some important statement in connection with the colony's finances which was alleged to have been made by the Premier, but which he has given the House his assurance time and again he did not make - is it because of that statement we are going to be told that the country is getting on to a lee - shore? What is the dangerous coast under the lee of the ship that we have and require to claw off from ? If honourable members want to know what is the real trouble-what is the difficulty-they have got to look a long way from New Zealand ; they have got to look to South Africa for the real Sir J. G. Ward Government is - and rightly - warning our people to assist them, and assist themselves, and assist the colony in steering clear of the lee-shore of trouble, and especially so during the next six months. Now, what is the trouble to which I allude? Anything in connection with our own colony's affairs-either its finance, its trade, its or laws ? Nothing of the sort. Honour- able members know that millions of money have been teeming out of the English Ex- chequer in order to carry on the South African war, and they know that as the result of that. trouble the drain upon the resources of the people of the Old World has been extraordi- narily great ; and that, as a natural corollary in consequence of that, money for the time being has become tight there, and the rate of interest has ruled somewhat high. But when members hear the honourable member for Ric- carton drawing an indication from that, and stating that the people of this country may, if certain things occur, be trembling on the brink of ruin in

the next twelve months, I say it is an insult to his own intelligence and to the intelligence of this House, as it is an insult to the stability of this country. Sir, I say the Government could go on the English money-market if they chose to do so now and get all the money that this colony wants, providing we liked to pay more than our country's credit entitles it to get its money for ; and we can do so at any time during the next twelve months. But what are the Government going to do with the trust that is placed in their hands? They are determined, Sir, not to commit the people of this colony to the payment of an unnecessarily high rate of interest for a longer period than is necessary, and until the trouble in South Africa is settled, and until the lee-shore which that has provided for the ship of " Finance" has been weathered, we say we are determined to do our navigating prudently. There will naturally then be a lowering in the price of money in the English market. Sir, then will be the right time for this colony to go on the London money-market for its requirements ; but to talk about this colony being embarrassed, or likely to be embarrassed, on account of this tight- ness at present in the English market, and to talk, as the honourable member for Riccarton, and the honourable member for Nelson City, and the honourable member for Ashley, and a number of other members talked, about the country being in difficulties, I say is abso- lutely contrary to what is the fact. Sir, even if we were in difficulties, is it not the duty of the Government, is it not the duty of our public men, to point out to the people the way in which we should go in order to steer clear of these troubles ? But would any man who wants to extricate himself from a difficult position go and croak and preach that he was going to irretrievably fall ? Certainly he would not. He would make up his mind that he was going to do his utmost to weather the storm, and he would preach it, and in accordance with his preaching, if there was anything in him, in time he would succeed in doing so. He cer-

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Postal are for the revenues actually received doomed, and disaster was upon him. And so it is, Sir, with the country. Some honourable during the five months of the present financial members of the Opposition have all along been trying to ruin this country ; they have been running it down continuously by decrying the the Postal Department for the five months is Government and all its works and actions, and there they have sat silently by during this that the revenue is only £8,400 to the bad ; and debate and allowed a few members on this the Customs, £11,000 short ; while the Excise is side of the House who have fallen into the able members-and the member for Franklin trap to criticize and condemn the adminis- tration of the affairs of the colony in re- gard to what they call large additions to the debt of the colony. And, Sir, who helped to make those additions to the debt of the colony ? Did the honourable member for with responsibility on their shoulders, they can Dunedin City, did the honourable member for screw themselves up to such "blue" predictions Ashley, did the honourable member for Nelson with the actual facts the other way. And yet, Sir, I have no doubt the honourable member is City, the honourable member for Wairarapa, and the honourable member for Riccarton, a million of money for the North Island Trunk since they have been in the House, not support the Government in these matters ? Undeniably Railway, and as much more as he can get for they did; and yet we have these honourable other works. Now, one word about the public gentlemen, after the Government in their debt. Honourable members have had com- Financial Statement have clearly indicated that parisons made for ten years-the ten years the colony is in a solid and sound finan- previous to 1890, and the ten years pre- cial position, but that it is desirable, owing vious to 1900. Now, I am going to tell the to circumstances over which we have no con- House what that means. For the ten years trol, to exercise reasonable precautions, im- previous to 1890 the colony was borrowing mediately trying to bring about a financial £240,000 per year gross and £260,000 net more crisis, if they could do it by preaching to the than it had been borrowing during the ten years people of the trouble in the financial world, from 1890 to 1900; and if those honourable knowing very well that if such a disaster members believe that ten years ago it was an were brought about it would not only affect improper thing for the colony to borrow money the colony, but that private individuals and all for making

railways, roads, bridges, and the private undertakings would suffer most, absolute hundred-and-one other things which it is the ruin probably overtaking many. Now, Sir, duty of the colony to undertake, why did they I want to say a word about the financial not oppose that policy before their constituents ? position. We have heard predictions that They did not simply because they knew per- the colony is retrogressing, that it is going feckly well that the development of all new or backwards and downwards-everything but young countries cannot be effected without forging ahead. How do they coincide money, and if the people themselves had not with the indication we have had from the the necessary money it became a necessity to Commissioner of Customs giving us the position borrow it. Out of these loan-moneys invested, of the Customs Department, showing it is only almost eight millions - made up of land £11,000 behind what it was last year, although settlement, £2,075,566 ; advances to settlers, the Customs duties remitted were over \$150,000? £2,380,000; loans to local bodies, £1,205,900; lands improvement, £500,000; Bank of New The excise duties are ahead of what they were for the same time last year by \$2,600. What is the position of the railway revenue, which is land Consols, £459,389 ; district railways, £47,000 ; additions to open lines, \$625,000; another of the great departments of this colony? The railway revenue is \$65,800 more than it was dairy industry, \$1,781 -- is direct interest-earning to the colony; and there is no honourable mem- last year, although we reduced the railway rates by some \$75,000 for the year. The revenue ber on that side of the House-and certainly not the member for Nelson City, the member for the corresponding period last year was, in round figures, \$642,000 ; for this year up to date for Ashley, and the member for Riccar- it is \$708,000. Now, what is the revenue of ton-who will say that the advances to the Postal Department for the same period ? local governing bodies, running up to Why, notwithstanding the enormous conces- £1,205,000, as against \$250,000 for the previous sions that have been made by the introduction ten years, is not to meet the necessities of local government. Now, as to the question of the of the penny-postage, which meant giving away public debt, I am one of those who has always \$80,000, the revenue is already \$193,900, as believed that it is most desirable that this colony against \$202,300 for last year-only £8,400 less should not borrow excessively. I believe so still. than it was for the same period last year before At the same time, I am most distinctly of opinion that enormous concession was made in regard to that for many years to come the colony will the penny-postage. An Hon. MEMBER .- How long is the period ? require to obtain the necessary moneys to meet the many functions the people themselves have Sir J. G. WARD .- It is for the five months decided that the State is to discharge. And up to the 31st August. All the figures I have year. Now, Sir, honourable members know that the position of the railways for the five months is £65,800 to the good ; the position of £2,600 better. And yet we find some honour- among others-telling the House and telling the country that the financial position of the colony is not sound and that the colony is going to ruin. It is almost pitiable to realise that, at the same time prepared to take a quarter of Zealand preferred shares, £500,000; New Zea-

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railways alone, to say nothing of the other great national assets the colony owns. I hold in my hand a list of the railways in England and in the United Kingdom. I will read them :- Total Capital paid up and Name of Company. raised by age of Loans and De- Track. benture Stock. Great Central .. 41,560,757 Great Eastern .. 49,689,446 Great Northern 54,512,564 Great Western .. 84,424,177 Lancashire and Yorkshire 61,904,515 London and North Western 118, 126,653 London and South Western 43,491,491 London, Brighton, and 25,038,616 South Coast London, Chatham, and 27,692,841 Dover Midland 170,550,931 .. North Eastern 72,149,145 . . South Eastern .. 27,169,635 Caledonian 58,567,502 . . Glasgow and South West- 21,739,816 ern North British 56,229,843 1,242 New Zealand 17,207,328 2,212 . . In England and Scotland there is only one railway company that has a mileage greater than we have got. And the majority of them have a shorter mileage of railway than we have. Then, take Canada and America,- Mile - Name of Railroad. Total. age of Track. Boston and Maine 10,765,567 1,715 New York, New Haven,

20,049,598 2,047 and Hartford Baltimore and Ohio 2,023 45,117,099 Central Railroad of New 16,618,120 Jersey Erie .. 64,032,708 2,109 .. 18,376,235 Middle Atlantic 1,396 New York Central and 67,426,996 2,394 Hudson River Lake Shore 22,190,400 1,413 New York, Ontario, and 16,168,520 Western Reading Railroad 1,456 44,335,500 Chicago and North Wes- 5,076 44,335,500 tern Chicago-Burlington 59,065,000 7,249 .. Chicago-Milwaukee 48,200,000 6,153 .. Canadian Pacific 55,900,000 6,500 Canadian Grand Trunk .. 67,038,302 2,963 It will be seen that there are only six com- panies with a greater extent of railways than New Zealand, and before many years pass by Sur J. G. Ward of the world. All I would ask is that in judging our position, without taking too optimistic a view, honourable members and the people of the country should try and grasp what the value of this magnificent asset will be as the natural development of the country progresses. It is impossible for any one to approximately specu- Mile- late, but it is certain that the value of our railways will be so greatly enhanced that they will largely minimise the public debt of the colony. Why, even if you take the United Kingdom-and there private companies are the owners-the value is greater in nearly every one 483 than is the case in the Colony of New 'Zea- 1,110 land. Then, during the last ten years, the 825 national asset of the State-owned property has 2,602 increased in value over five millions according to 556 the statistics of the colony, and yet honourable 1,924 members point out-at least, some of them do- 900 that there is not a very satisfactory state of 438 affairs so far as the finances of the colony are concerned. Now, let us again take the railways 608 as a case in point. This colony has had to convert large lengths of our rails from 301b. to 40 1b. ; 1,431 from 40 lb. to 52 1b. and 53 1b., and from 53 1b. to 1,632 56 1b., and lastly to 701b. So far as our rail- ways are concerned, we may say we have remade 939 our tracks more than once in order to meet the 394 exigencies of the ever-growing traffic ; and is there a member of this House who will say that that was not only a good thing to do, but it was unavoidable ? As our traffic grew we had to in- crease the weight of our rolling-stock, and now we have fixed our tracks finally at the maximum of 701b. Now, I want to say a word about the honourable member for Palmerston. That honourable member made a statement about the amount of money available in the banks and the savings - banks of the colony. The honourable member is not here, but he knows he made the statement, and I indicated to him to-day that I was going to refer to it. Sir, the honourable member said there were eighteen millions of money on deposit, that there were three millions in cash and bullion, and that there was invested fifteen millions of money, and consequently this money was not available for the people. Does the honourable 678 member mean to tell us that if you borrowed five millions of money in England to-morrow you would bring the gold to New Zealand, and that it would be available to the people ? There would be no transport of gold from the Old Country here except to the extent of the neces- sary balance of bullion to regulate the trade 480 and the necessary requirements of the banking institutions concerned. I say that during the last few years, for the first time in the history of this country, there has been more money deposited in the savings-banks and other bank- ing institutions of the colony than is required for the carrying-on of the ordinary trade of the colony. It is the first time in the history of the colony that these banking institutions have not had to go to England to obtain, in some instances, four and five millions of deposits, and in some instances, I believe, more than the amount I have

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made by the abolition of the extra charge on the people from one end of the colony to the the Rimutaka Incline to \$700 per annum. other, and the country is to be congratulated upon it ; but yet a member of the Opposition ferred on the farming community by providing tries to minimise this splendid feature of our in the regulations that farmers and others country's progress. Now, I want to say one may combine, and thus obtain small lots word to the honourable member for Patea. He of manure, et cetera, at a cheap rate. There is a new member, and has not had a very great is also a reduction in passenger-fares. Honour- deal of experience in this House, so that to able members surely know that the farmers re- some extent

one ought to be a little lenient in quire to, and do, themselves and their families, referring to the statements he made. But I want to call attention to one utterance he de- travel over the railways. lived, which I think is only right I should reduction in fares. reply to. The honourable member said that \$46,000 of remissions on railway rates were Where did the given to the South Island? surely must know that there has been an honourable member get that from? The enormous reduction in fares. honourable member, if he got it from anywhere, got it probably from some wrongly informed bers do not know what they are talking about. newspaper, which has led him and others into The reduction on single fares is 30 per cent., the belief that the Government was differentiat- ing in regard to railway rates as between the but on return fares between 9 and 10 per cent. two Islands. Sir, it is absolutely incorrect. The whole system of the change was to bring There is no such thing in the whole tariff. about cheapness and uniformity, and to do away with the abominable method of return fares There is not a rate that does not apply to the under which many people of this colony lost whole colony, except it be where water-carriage what they had paid for the return half of their is competing with the railway, where special tickets. If a man took a return ticket under rates are made, and these are to be found in both Islands. But to say that there is a dif- the old system and he could not come back within a specified time, he lost his ferentiation in rates as between the North and money. The honourable member does not South Islands is to say that which is contrary to pay for the tickets he uses himself, but he fact, and I challenge either him or any one else travels over the lines, and he knows that to give the instances in detail. They cannot, because they do not exist. Then, the honourable thousands of people under the system of return member went on to say that the reductions tickets lost their money, because they frequently could not avail themselves of the second portion made were of no benefit to the farmers, nor, he said, was the penny-postage. Now, let of their return ticket, and the system was un- satisfactory to every one concerned. Now we me tell the House what the Government in have a system under which every one is treated this respect has done for the farmers since alike. And what we intend to do before very the railways came under Ministerial con- trol in 1895. We have reduced the rates on long is to make concessions, and allow persons with single tickets to break their journey at any milk and cream for cheese-making, butter and cheese, chaff, turnips, lime for ordinary pur- station until they get to the end of it, and con- tinuing until the ticket is exhausted. Under poses, lime for manuring farm lands, grass- the old system of return tickets, nine people out seeds returning from seed cleaning establish- of ten, when they were quite sure that they would ments, sheep, wool, empty butter and vegetable not be able to go back within the specified time, packages, phosphorized pollard for extermina- paid a high price for a single ticket-30 per tion of rabbits, New-Zealand-grown vegetables, cent. more than they do now. We have made green flax, agricultural produce, dairy produce, an enormous reduction in the single fares, and onions, bonedust, guano, manure, salt, rock- the public have shown that they appreciate it salt, linseed, beans, bran, native flax, flour, fully. peas, sacks in bales and bundles. The following mitted that there has been a 30-per-cent. reduc- is approximately the value for one year of the tion in single and a 9-per-cent. reduction in concessions granted for the principal articles enumerated : Reduction of live-stock rates, return fares. 225,000 ; chaff, lime, et cetera, \$3,000 ; agricul- fare except the tourist. tural produce, \$40,000; manures, \$1,000 ; free carriage of lime for agricultural purposes and sense. The average tourist who comes to this concessions on butter and cheese, \$5,000 : colony does not take either a single or a return total, \$74,000. In addition to the foregoing ticket, but he takes an \$8 excursion ticket for concessions on articles which may be said to be the whole colony. I want to say one word produced, or mainly used, by the farming com- about my honourable friend Mr. George Fisher, munity, farmers have been materially benefited M.H.R. - " the people's George," the ladies' by the reductions of rates made for iron and favourite, the man's hero, and the Demosthenes other articles of merchandise which are in of the House. He made a statement to this every - day use by them. For instance, the effect : that Sir Robert Stout formed the Bal- abolition of the extra charge of 1d. per mile on

lance Administration. I say that, to my know- merchandise goods carried over a large number ledge, he did nothing of the kind. The man of the branch lines of the colony was equivalent Further, material advantage has also been con- An Hon. MEMBER .- There has been no Sir J. G. WARD .- The honourable member An Hon. MEMBER .- 9 per cent. Sir J. G. WARD .- Those honourable mem- Those honourable members have ad- An Hon. MEMBER. - Nobody requires a single Sir J. G. WARD .-- That is all stuff and non-

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Mr. Ballance. He may have-and if he did I do not blame him for it, because it is well known that he and Sir Robert Stout were on terms of the closest friendship-he may have probably consulted Sir Robert Stout ; but it was Mr. Ballance who formed that Administra- tion. There are two Ministers in the present Government who were members of that Ad- ministration, and they know the facts with respect to that matter. I therefore feel sure that my honourable friend will, on further reflection, agree with me that he was not so accurate as he usually is when he made that I have alluded to it because I statement. think it is not fair to the late Mr. Ballance that an impression should be formed that he was a dummy in the matter of the selection of his colleagues, and that it was formed by another, even though the gentleman referred to was a close friend of Mr. Ballance. Now, I want to say one word about the grain contracts. The honourable member for Franklin referred to this matter. I want to tell the House that the Government, so far as these orders are con- cerned, acted in accordance with the require- ments of the Imperial War Department. The New Zealand Government until quite recently had only two contracts to make for the Im- perial Government. In the case of the first contract we invited public tenders, and accepted the lowest tender ; and in the case of the second contract the Government accepted the offer of the next lowest tenderer at the price of the first contract. I would like to add that there was not a bag of grain shipped under these con- tracts with the Imperial Government that was not examined by independent Government graders on behalf of the Imperial Government. I may point out also that some thirty thousand sacks of grain were rejected, showing, I think, that the work of inspection was very well done. At all events, the Government have received no complaints as to the quality of any of the grain sent from this colony to South Africa; and that speaks for itself, and is surely a very good thing for the reputation of our colony. Then, with reference to the ques- tion of publicity being given to the details of these contracts, I may say that we have had Victoria competing against us in these con- tracts, and I contend that it would have been against the interests of the farmers of this coun- try if we had given publicity to the details of the contracts. However, the whole of the in- formation concerning these matters will be laid on the table of the House, and honourable members will then have an opportunity of con- sidering the matter fully. An Hon. MEMBER .- Will you do it before the session is over ? Sir J. G. WARD .- Yes ; the information will be laid on the table before the session is over. Now, as to the general position of the colony : What better indication of the splendid, nay, the marvellous, progress of the colony from the 30th September, 1890, to the 30th September, 1900, can there be than the following :- Sir J. G. Ward Increase. Population (excluding the Maoris) 143,696 .. Total imports (value) £3,675,853 .. Total exports (value) £3,675,986 Total exports, produce of the colony (value) £3,718,120 . . Export of -- Wool (quantity) 42,307,330 lb. .. £729,851 (value) Frozen meat (quantity) .. 1,212,677 cwt. £1,281,557 (value) Sheepskins and pelts 3,294,370 ... (quantity) Ditto (value) £190,361 Butter (quantity) 123,891 cwt. .. £567,333 (value) .. Cheese (quantity) 62,486 cwt. £138,446 (value) .. . Gold (quantity) 155,038 oz. (value) £573,141 Coal, Output of (quantity) .. 337,837 tons. (value) £168,919 Occupied holdings 24,307 Land in cultivation 4,476,037 acres. .. Occupied area of land 2,555,148 acres. .. Sheep 3,232,393 .. Cattle 390,308 . . Miles of railway open for traffic .. 354 Miles of telegraph-line open 1,850 Deposits, Post- Office Savings-Bank £2,878,494 Value of land and improve- £16,366,318 ments In every instance there has been an increase during the last ten years. At the present moment the revenue of the colony is buoyant. There is no reason whatever

why any one should fear the theoretical propoundings of people who appear to be afraid of their own shadows. But there is something I say we should fear, and I say it now with all the force that one individual can. If you want the country to be prosperous and to progress at the rate at which it has been going ahead for the last ten years-if you want good to result to the great mass of the people of the colony-you do not want to have your public men and your newspaper Press frightening themselves first, and then their neighbours, and trying to create the impression, both in our own country and abroad, that the bottom has already dropped out of the colony, or that it is going to drop out in the future. Sir. I will tell the House what we want: While caution is desirable, nay, necessary, in view of the extraordinary circumstances beyond the colony, to which I have alluded, you want your public men to be possessed of a certain amount of courage, and even boldness. Are we to say we are going to reverse the present policy of progress, to stop public works expenditure, to turn out the co-operative men, to limit our land settlement, to restrict the money to be advanced for the assistance of settlers, and to injure the great industries which are the very heart-blood of the colony-

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authority-some person who formed one of a deputation to the Right Honourable the Premier-gave to the Press a most gloomy and depressing, and, withal, an incorrect report of what was alleged to have been said by the Premier to the deputation that waited upon him ? Surely not. Our confidence cannot forsake us upon any such flimsy pretext. If, as I say, it is in consequence of this that we have found honourable members taking fright and trying to create the impression both at home and abroad that the country is going backward, I say, let them look at the real solid facts of the case, and, if they do, all such grounds for fear will disappear. Mr. DEPUTY.SPEAKER .- Time is up. Mr. HUTCHESON (Wellington City) .- Sir, however gloomy the temperament of any member of this House may be, he certainly must be cheered after listening to the ultra-optimistic speech we have just listened to from the Hon. the Postmaster-General. When one is in the "blues" a little bit, although the advice tendered may not exactly stand the logic of hard facts, it is, at any rate, pleasing to have a rosy picture delineated to one, and certainly we have had a most rosy picture of the colony's finances from the Hon. the Postmaster-General. But I must also note that it was distinctly at variance with the whole spirit of the Financial Statement of his colleague the Hon. the Premier. The key-note right throughout the Financial Statement is caution and prudence; and not until the last half-dozen words of the Postmaster-General did he utter a single word of caution, or admit for a single moment that there was any necessity for caution or prudence. However, as I propose to deal with the various items in the Budget a little later on, I shall first of all refer to "Do you include the Maoris ? " " Mr. Seddon : some of the statements made by the Hon. the Postmaster-General. He took the member for Franklin to task for having made a statement in his speech to the effect that the Premier had understated the amount necessary for the payment of old-age pensions, and he alleged again, as the Premier has already alleged and reiterated by interjection this afternoon, that it was not anticipated that pensions would have to be provided for impecunious Maoris. Well, if the records of the House are true records, it will be interesting to read to the House what they say on that point. Before I do that, I wish to say that the Premier knows my attitude towards the old-age pensions. In his inmost soul he knows he had no more ardent, enthusiastic, and thick-and-thin supporter of the Old-age Pensions Act than I was, and therefore I do not refer to this matter by way of impugning the principle of the Old-age Pensions Act. This is what I find in Hansard. In 1897 the Premier took the floor to speak on the second reading of the Old-age Pensions Bill, and there were a few passages-at-arms between him and measure is being drafted. Therefore the Pre- various members. Mr. Heke asked,- " Will the Premier explain in his speech how it is the Native race is excluded from the sions for the Maoris. Bill ? ber should first make himself sure that they are excluded. "Mr. HEKE .- I am satisfied of that. " Mr. SEDDON .- Then, I inform the honour- able member that he knows nothing what- ever about it, for they are not excluded, but are

included." Sir J. G. WARD .- Look at subclause (1) of clause 63. Mr. HUTCHESON .- The honourable gentleman's explanation of Mr. Massey's charge was that, in the first instance, the Premier had not anticipated providing old-age pensions for Maoris. I am simply quoting the evidence as I find it. Subclause (1) of clause 63 of the Bill as originally introduced in 1897 says,- " This Act, in so far as it provides for the grant of pensions, shall not apply to, (1) Aborigines of New Zealand to whom previous pensions are paid out of the sums appropriated for Native purposes by 'The Civil List Act, 1863.'" So that all indigent Natives other than those already provided for out of moneys voted for Native purposes shall be eligible for pensions. Going a further stage, we find that the Bill says- Mr. SEDDON .- What are you reading from ? Mr. HUTCHESON .- I am now quoting from the Bill of 1897, as it was reported from the Committee of the whole House. Sir J. G. WARD .- It was not in the first one. Mr. HUTCHESON .- It was from the first Bill, as originally introduced, that I have just- quoted. Now, the amended Bill says precisely the same thing. Now, Sir, let me refer to Hansard of 1898. I find that while Mr. Seddon was speaking Mr. Herries interjected, The Maoris are conditionally included." Assuming that reply to be couched in diplomatic language, yet the Premier must have been aware that, in all probability, he would have to provide pensions for the Maoris. Mr. SEDDON .- You should look up all that I said. I gave the census returns, and based my calculations on them ; but I had no census returns with regard to the Maoris. Mr. HUTCHESON .- I do not undertake to cross-examine the Premier on this question ; but I must revert to the original statement I made-namely, that in introducing the measure the Premier, in the Bill and in his speech, declared that the Maoris were included. Mr. SEDDON .- One Bill said "No," and the other said Maoris might conditionally have pensions. Mr. HUTCHESON .- In any case, the Bill had to be perfected before it was submitted to the House. The sinews of war are the first essential to the success of any scheme, and ways and means must be considered when any Minister must, in his original Bill, have had in view the probability of having to provide pen- Mr. SEDDON .- No.

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this matter any further, as I have others to refer to ; it is sufficiently clear to any unbiassed mind that what I have stated is absolutely correct. Now, there are one or two other statements the Postmaster-General made that I would like to deal with too. I cannot help being struck by the nautical turn of mind honourable Ministers have developed. Like his namesake, Sir Joseph, of " Pinafore " fame, if the honourable gentleman continues in his line of political navigation he may become some day a " ruler of the Queen's navee." I was rather pleased at the nautical terms, and the facility with which he worked off a lee-shore-under close-reefed topsail, I suppose. And he got the good ship "Finance," I suppose, into placid water immediately he got her off the lee-shore. He may have got her into open water, but if he was on a lee-shore under such conditions as he depicted I hardly think it likely that he would find placid water quite so quickly and conveniently as he did this afternoon. The honourable gentleman accused those of pessimistic frame of mind, both on his own side of the House and in opposition, of having spoken disparagingly of the large salaries paid to heads of departments, and he gave us a comparison of the salaries paid for various offices in New Zealand and other parts of the Australian Continent quite to the disadvantage of our colony. Well, I am one who has always held that the servant is worthy of his hire, and that therefore the first essential to the proper organization and administration either of a department or a business is having a thoroughly competent, well-paid, and efficient head to that department ; so that in that respect I am not a cheeseparer. It is not in the matter of our large salaries that the leakage is ; but, Sir, we keep here too many cats that catch no mice. It is through distributing the departmental salaries over an unnecessarily large area that renders it necessary for us to starve the heads of departments and the responsible officers, so that on the first opportunity they get of obtaining employment in any other part of the world they immediately leave us. Another statement the honourable gentleman made was with regard to the question of the sinking funds. He said that all financial authorities condemned the

practice of providing sinking funds, and he instanced the case of a merchant building a warehouse. He said that if the warehouse was calculated to cost £20,000, and the merchant had raised \$5,000 to start with, it was not good business to provide a sinking fund for that \$5,000 before having completed the raising of the whole \$20,000. Sir J. G. WARD .- That is, if gradually built. Mr. HUTCHESON .- Yes, if gradually built. But, Sir, there is scarcely any analogy there at all, because there is finality to the building of the warehouse, whereas, if we are to believe the honourable gentleman, our scheme of public works on borrowed money must continue till the end of time. There is no stopping-place, he said, in fact, to the continuance of our scheme of public works by borrowed money. to do is to live in the day, borrow all the money we can, and hand the bill along to posterity. Sir J. G. WARD .- I did not say that. Mr. HUTCHESON .- No; I am saying that. I am inferring that there is no finality to public works, and we have been assured time and again that we cannot carry on public works out of revenue taken from the Consolidated Fund. The Premier told us last year the Consolidated Fund had already contributed too much, and he was going to discontinue it, and only through grave anxiety caused by the state of the Public Works Fund has he on this occasion continued what, according to his own statement, is not a proper proceeding, and transferred half a million from the Consolidated Fund to the Public Works Fund. So that if we take the premises of the Hon. the Minister we must continue to be financially correct to carry on the public works of the colony out of borrowed money. Well, I say that many of these public works alleged to be of a permanent revenue-producing nature are not so. Bridges have to be rebuilt-wooden structures especially-in fifty or sixty years' time, and the colony is having the use of these bridges in our time at the expense of posterity, and we are leaving posterity to foot the bill once more. It is not proper policy nor statesmanship to conduct our business in that way. But the whole policy of the present Government has been built and is maintained on the judicious doling-out of public moneys for local works. In this connection the Premier, on a former occasion, stigmatized this city as "cormorant Wellington." But, Sir, I have always found myself in this position : that I have never had to go up back-stairs to beg for the expenditure of public money in or about the City of Wellington. It is as proud a position as a member could occupy, and, so far as its applicability is concerned, the term was entirely a misnomer. Mr. SEDDON .- Wellington gets the money spent therein all the same. Mr. HUTCHESON .- But Wellington says this in effect : " We are absolutely and entirely independent of the Government, and if you choose to spend public money in public buildings that is your affair. We do not ask for it ; you do it for a national purpose, and we are not at all indebted to you as a city." All that Wellington asks from the Government is to be left unmolested to work out her own destiny. Now, coming to the Budget, the whole Budget presents to me the air of "Who's afraid ? " Beginning with the first word and ending with the last paragraph, the whole Budget is simply an exposition of " Who's afraid ? " Or, to use another simile, it is as assuring as the invitation of the schoolboy, who, having jumped into ice-cold water to swim, begs his school-fellows to follow, declaring, with his teeth chattering, that the water "isn't co-o-ld a bit." That is the whole Budget from beginning to end. It is in turn truculent and boastful, and apologetic and nervous. Taken as a whole, it is the most undignified Statement which even the right

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honourable gentleman has ever compiled. The | I proceed further what amount of reasonable cheap sneers at the merchants whom he " had " taxation the limited population of New Zealand over kerosene that never was in bond, and the land is compelled to bear. We find, beginning with the year 1890, that the net indebtedness revenue he never got ! Of his predecessor per head of the population was £60 5s. 3d. ; in it is said-and deservedly said-" He loved the people! " It has also, with equal justice, 1891-I ask honourable members to mark the been said of the right honourable gentleman significance of the date of the increase in the man, "He bribed the people " ; but the indebtedness per head-£59 11s. 10d. ; in 1892, £59 2s. ; in 1893, £58 2s. 7d. ; in 1894, £57 prominent feature of his public career and the real reason of his success

is that he has 8s. 10d. - there it was at its lowest ebb : just successfully fooled the people. Abe Lincoln when the right honourable gentleman was com- said that "You can fool some people all the fortably and safely installed in office it begins time : you can fool all the people some of the to mount up gradually ; in 1895, £57 9s. 9d. ; time, but you cannot fool all the people all the in 1896, £60 2s. 4d. ; in 1897, £60 12s. 9d. ; in time " ; and the time is fast approaching when 1898, £60 4s. 11d. ; in 1899, £61 14s. 4d. ; in a sufficient majority of the people of New Zea- 1900, £61 17s. 3d. ; and in 1901, £62 16s. 10d. land will decline to be any longer fooled. Now, per man, woman, and child is the burden of the debt on the people of New Zealand. And Sir, I propose, while dealing with the Budget, I maintain now, Sir, that we have arrived at to predict neither ruin nor disgrace to New Zealand. That is impossible. The very fact that stage which Mr. Ballance spoke so feel- ingly about, when he said we had reached that New Zealand has stood the strain of the prodigality of administration during the last that stage when it was sufficiently serious to compel sane men to pause. Now, the Pre- eight or nine years is sufficient proof that it cannot be ruined. If we were to-morrow on the verge of bankruptcy New Zealand would immediately, if left alone, rise, phoenix-like, from its ashes. It is not time-serving poli- ticians nor bad statecraft that can ruin it, or it would be in a much worse predicament than it is now. But we are told in the Budget that the condition of the country is prosperous. Material prosperity has been with us-there is no gainsaying that - but it is entirely traceable to causes other than either the legis- lation or administration of the present Govern- ment. They have only exercised a policy of expediency, and have been sufficiently worldly- wise to watch opportunities and grasp them. They have simply had horsc-sense enough to see that things were coming their way, and stood aside and let them come. But I em- phatically declare their policy and administra- tion has produced such a state of moral and political paralysis as will yet make itself obvious to the dullest intellect, and will take very many years of rigorous political discipline to eradicate. Now, Sir, I want to show the relationship of the prosperity of the colony to the people-I mean the common people. I want to show if possible to what extent the mass of the people -the wage-earning classes are prosperous, and what prospect they have to withstand the shock of ill times should that befall them. First of all, let me look at the indebtedness of the colony. The Premier says in the Budget,- " It is well, however, that I should, in respect to the expenditure, urge the absolute necessity for prudence and economy, for, although the revenue is buoyant and increasing, yet, owing to reductions in the Customs tariff, the conces- sion of penny postage, remissions in railway charges, and other concessions, there is this year, as compared with last year, a decrease of only £9,500 ; correspondingly there should be a jealously guarded expenditure, for a restricted population can only bear a limited and reason- able impost of taxation." Observe how seductively he preaches pru- dence and economy. But his practice squares mier has recognised that ; his Budget says that ; and his Budget, so far as professions go, realises the position, and confesses the position. But the estimates give the lie to that confession ; that is, he preaches economy and prudence in the letter, but he breaks it in the spirit-that is to say, in the estimates. The estimates are excessive ; so much so that his own most enthusiastic-of course, he says they are "pessimistic "-supporters have de- manded a reduction in no uncertain tones. Now, they are honest and sincere, and ex- ceedingly true followers of the right honour- able gentleman, and I decline to believe for one single moment that any unworthy or ulterior motive has actuated honourable mem- bers such as the member for Dunedin City (Mr. Millar), the member for Ashley, and others who have spoken so frankly. There is no ulterior motive that can be imputed; I decline to believe for a moment that any ques- tion of pique, jealousy, or personal slight or affront has weighed with them in their decla- rations. An Hon. MEMBER .- It is disappointment. Mr. HUTCHESON .- Of course, the honour- able gentleman is more within the inner circle, and probably knows more about it. I am basing my remarks on a knowledge of their characteristic truthfulness and earnestness ; and they have, it appears to me, told the right honourable gentleman he is walking in a dark path, at the long end of which there is a pit, and they are asking him to

pause and get a light to see where he is before he falls into it. That is the impression that I have, and that, I believe, will be the impression held by the people of the colony when they come to carefully and critically weigh their words and realise the position. I have now shown, Sir, that the public indebtedness per head of the colony has gone up to a sum hitherto unprecedented and undreamt-of - namely, to £62 12s. 6d. Now let us see what is the annual burden on the people of the colony per head

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-on the national debt. On the 31st March, 1900, the share of the burden of interest that lay on each man, woman, and child in New Zealand was £2 5s. 6d. But on the 31st March, 1901, the end of the financial year, the net debt of New Zealand had increased from £46,930,077 in 1900 to £48,577,751 in 1901, and the interest was £1,925,316-that is, exactly £2 10s. per head of the population. A man with a wife and four children, therefore, to bear his proper share of the liability, must pay £15 per annum as his family's part of the interest on the national debt. Now, the Premier has told us that every million adds 10d. per head to the burdens of the people, and, as he now holds authority to borrow five millions, there is an early chance of the head of such a family bearing as his share of the annual charge on the public debt no less a sum than £16 5s. Now, when we come to consider that 75 per cent. of the total revenue of the colony is derived from the Customs taxation, we come right close to where the working-classes live. In Customs and Excise duties alone it amounted last year-1899-1900-to £2 17s. 9d. per head, or £17 6s. 6d. actual payment by the head of a family such as I have quoted. That was the extortionate amount the head of such a family paid last financial year to the revenue of New Zealand. This year -1900-1901-we were told that concessions had been made, and that everything was to be well, the masses were to be coddled and pampered to, and that large concessions had been made to them last year. But what is the amount they have contributed during the year just past? Not less than the sum of £2 18s. 8d. per head, or £17 12s. for such a family, being an increase in Customs taxation alone of 5s. 6d. per family. And the Premier tells us in the Budget that- " These figures conclusively prove the wonderful progress the colony has made without any undue pressure upon the taxpayer to contribute to its revenue." Yes, Sir, and it also proves that " Issachar is a strong ass couching down between two burdens," and has become a servant unto tribute. There is no doubt about it, Issachar is a patient ass as well as a strong ass, because he pays until he is no longer able to pay before he thinks of rising in revolt. And we are now told that the people are well-to-do so long as they do not rise in organized and open revolution. And we are told that the fact that the people are able to indulge in these luxuries bearing Customs duties is the best proof that they are prosperous. Could unreason go further than that? Now, I have endeavoured to discover, if possible, the total amount of revenue collected by the State for which no services were rendered other than policing the people, and I took the Customs duties, the land- and income-tax, the beer duty, and registration-fees. But, of course, the stamp revenue puzzled me-that is, I was unable to discover any reliable data to guide me as to the amount of revenue from stamps for which services were rendered-that is, the value of Mr. Hutcheson. By making a guess, and taking a small proportion of the total amount derived from stamps for revenue purposes only, I arrive at this conclusion: that we had raised from these sources for which no services are rendered by the State other than the policing of the State no less a sum than £3,301,963, out of a total ordinary revenue of £5,582,502. Mr. TANNER.- Indirect taxation. Mr. HUTCHESON.- No, not indirect taxation only; I am including land- and income- tax. So you will see the people pay rather than rise up in revolt and therefore the Premier says that they are prosperous. I have prepared a small table showing how, simultaneously with the highly unsatisfactory rate of increase in our population, we have increased the various items I have alluded to :- Revenue used for Administrative Purposes and for which no Services (except Policing the People) are rendered. Increase since 1900-1901. 1690-91. £ Customs duties 2,180,862 653,655 . . Stamps, other than 500,000 (say) 150,000 postage (say) Land- and income-tax 111,045 468,393 Beer duty .. 85,171 27,099 Registration-fees 26,042 67,537 £3,301,963

£967,841 The Premier says in his Statement,- " In the Budget last year I stated that there- after the aid to Public Works Fund from the surplus in the Consolidated Fund would have to be partially, if not wholly, abandoned." I make bold to say that if the Committee of Supply adopts the present year's estimates we shall, with the prospect we have before us, certainly not have any surplus from the Consolidated Fund to transfer to Public Works Fund, and then we shall certainly go on and borrow, borrow, borrow as long as we can, and pass the bill on to posterity. Now let me look at another statement in the Budget Last year we made certain concessions in Customs duties, and the Premier has been complimenting himself and his Government ever since he published this Budget on the wonderful elasticity of the Customs revenue, and he has attributed it again to the extreme prosperity of the people. Why, Sir, every one who chooses to reflect for a moment must know that for months prior to the visit of the Royal party to this colony every importing firm in the colony were bringing in goods in such quantities as was never known before, every line of which was paying duty, the importers, of course, anticipating extraordinary expenditure, due to the rejoicings that were about to take place in the colony. That is one means of accounting for the extreme buoyancy and elasticity in the revenue. Another thing is this: It may be in a less degree, but I submit that this House made a crucial error last year when it reduced the taxation on gold-mining machinery. Just a few weeks ago

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conversant with the current prices, because I an enormous ocean tramp-a regular floating warehouse - discharging hundreds and hundred deal in kerosene; I know what I am talking of tons of gold-mining machinery on our about, and I say no benefit has reached the wharves. What does that mean, Sir, to the consumer at all. The middleman has probably people? It means that our foundries are idle collared it. Again, the Budget says,- now. It means they are practically deserted ; that the busy hum and resonant hammers that ture may be expected, and it is therefore not we heard twelve months ago have gone, and surprising to find that the departmental expenditure that the oversea tramp is bringing foreign-made expenditure was in excess of that of the previous goods to this colony. Why did we do this ? I year by £289,670 under the annual appropriation am one of those who have no great respect for tions." the gold-mining industry. I am one of those cranky men who believe that gold is a curse practically occurs the leakage in the finances to a nation, and who believe that gold is the embodiment and typification of that which has extravagance of the departmental expenditure, caused all the trouble in the world. And I have no affection whatever for those speculators and boomsters of "wild-cat " mining ventures. I have just as much respect for the man who lays "tote" odds, or who makes it his business to go to the racecourse and lay the odds where he can with profit to himself and ruin to the many, as I have for those gentlemen who busy themselves in gold-mining gambles. That these should be subsidised at the expense Board to investigate the departmental offices, of the wage-earning classes of the country I and see that there are competent and well-paid cannot regard as an act of statesmanship. Is it officers in all the different departments, and to be supposed that if fewer industries grow up only such as are necessary for the proper conduct in this country our Customs revenue will be- duct of business in those departments, I venture come more and more buoyant, and that if to predict there will be such a cleaning-out of articles are not being made in the colony, but the State Augean stable as has never yet taken are being brought to us from oversea, it is not a place in this country. In any case, if the detriment to the wage-earners here in our occasion should arise for retrenchment in the midst ? I can understand a protective public service, I trust that at first, at least, it 4.30. tariff, and I can understand a free- will not take the form of reductions in the trade tariff ; but a revenue tariff such as we salaries of those it is proper to retain there, have is devised for no other purpose than for but a saving altogether of the salaries of very squeezing taxation out of the people. If there many who ought never to have been in the public service of the colony, and upon whom was a really protective tariff there would be little revenue from it. If where there is now thousands of pounds of

public money are now a duty of 25 per cent. it was raised to 50 per cent., we would certainly get less revenue from it, but you would certainly have a protective tariff which would prevent them from leaving us when they tariff. The Premier deludes the people with a get better offers elsewhere, as so many of our lot of cheap claptrap about concessions on the best men have hitherto left New Zealand. Now let us look at the annual increase of necessities of life. Some of these concessions expenditure. The Premier tells us that it was that were made last year in the way of relaxation of the Customs duties were of such a nature as to be absolutely useless to those for whose benefit it was alleged they were intended. I say my experiences-and I speak after due inquiry-are entirely different from those of the honourable member for Auckland City (Mr. Fowlds) and the honourable member for Christchurch (Mr. Ell), and I say again that not during 1899-1900, with a population of 759,748, one single penny-at least, locally-has been the actual expenditure was £5,140,127, while saved to the consumer of the goods from which in 1900-1901, with a population of 772,719, the expenditure had increased to £5,479,703. That we removed taxation last year. Kerosene, after a series of fluctuations due to a gamble on the market is to say that, while the increase of population part of those who held large stocks, and before during the year was only 1.7 per cent., the Mr. Rockefeller had time to reach out for the actual increased expenditure during the same 6d. & gallon duty we had obligingly made him period was 6.2 per cent. Or, per head of population in 1899-1900 it represented an expenditure a present of, has now reached its normal equal to £6 4s., and this year of £7 1s. 9d., an rate, and the consumer has received little or no benefit. A case of kerosene is still just the increase per head in the year of 17s. 9d. The cost of government is increasing. The only same price to the consumer as it was before thing that is decreasing is the population. we struck off the duty. Whatever it may be in other parts of the colony, I can say I have Everything else is increasing-the cost of government - With increased revenue increased expenditure- Now, it is in the cost of government that of this colony. In declaring my belief in the while I admit that our heads of departments -and, in fact, all the competent officers of the State - are not too well paid, it may seem paradoxical, but I claim that it is the army of loafers, the army of cats that catch no mice, that is sapping our finances and rendering it impossible to properly reward merit. But if this colony should ever get a sufficiently independent and competent Royal Commission or thrown away. Such a policy would enable us to pay our competent officers such salaries as £ Permanent appropriations 49,906 Annual appropriations .. 289,670 .. Total 339,576 .

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the Premier's salary-all these are going up, and the only thing that is going down is the population of the colony. Well, after the rise, the fall ; after the boom, the slump ; after the " fizz " and big cigar, Worcester sauce-which is, I understand, a famous pick-me-up in certain parts of the colony-and the hump. Mr. SEDDON .- Elliman's embrocation ! Mr. HUTCHESON .- I am informed that on the West Coast, after a prolonged spree, a bottle of Worcester sauce or Painkiller, neat, is considered a good pick-me-up. Now, I have just a few words of criticism with reference to the management of the railways. I believe the management of our railways is in competent hands. Whilst we have had an increase in revenue from the railways, I may point out that I do not think sufficient prominence has been given to the fact that there has also been increased expenditure as well as an increase in the revenue ; but, as my time is very limited, I will not open that question just at present. There is one small question of detail I would like to submit for the consideration of the Minister for Railways. He is now building a suite of handsome offices adjacent to Cable's foundry, in Wellington. The train emerges from the rear of those buildings, and the corner of the buildings immediately contiguous to the railway will be an acute angle, so that the train will emerge from behind the corner of the buildings without the slightest warning to passers-by. That will be a very dangerous place. When the new building is completed it will completely hide the train while it is behind it, and render that crossing exceedingly dangerous. I suggest to the Minister for Railways that, in

order to prevent the loss of human life, or, at least, some ghastly accident, he will, without undue delay, place a crossing-keeper there. One of the objections of the Premier to the recently much-talked-of shelter-sheds was that there was a danger of accident at the railway-crossing at that place; but the danger will be much greater at the place I have just referred to when the new buildings are erected, for they will even deaden the noise of the approaching train, as well as hide it from view. I do not want to make any capital out of this, nor to reflect on any Minister or head of department, but I simply wish to point out the danger that it means to the public. Now let us have a look at the Savings-bank. There has been so many barometers and thermometers and anemometers brought forward in this debate that I am almost afraid to refer to this institution-the Savings-bank-as another alleged barometer of the prosperity of the public. The member for Napier, Mr. Fraser, in "slang-whanging" some of the recalcitrant members of the Government party in his speech the other evening, was very emphatic about the thermometer indications of the Budget; everything was a thermometer with him. The member for Dunedin City (Mr. Millar), when speaking about the condition of some of the mines of the colony, said the expert was unable to discover any indication on his anemometer-that is, I suppose, as regards the ventilation of Mr. Hutcheson as another barometer-a barometer of the prosperity of the people. Indeed, it is one of the finest institutions that there could possibly be. It is of great advantage to the people, and a wonderful assistance to the Government. It is the finest little nest-egg the Government could possibly have. But the question occurs to my mind, Suppose there should occur any little panic? Let us suppose some stupid, groundless alarm impelled the people to lift their money out of the Bank. Have the Government got the money to give them? How much? I will tell the House what I think the Savings-bank really is, and what inference I draw from the Postmaster-General's statement. The Budget tells us the deposits of sums up to £100 have increased since 1890 by 97.97 per cent.; deposits between \$100 and \$200 by 135.22 per cent.; between \$200 and \$300 by 242.94 per cent.; and above \$300 by 218.54 per cent. Well, it is the easiest matter possible for people of wealth, after placing most of it on permanent investment, to keep a current account of £500 at the Post-Office Savings-Bank. They have the advantage of being able to work on it as a current account, while at the same time they get interest on it as a deposit. There is nothing wrong about that. I do not say for a moment that it is not commendable, and that it is not good both for the depositor and the Government; but I would like to locate things. I want to know whether the Savings-bank is a barometer of the prosperity of the great mass of the people, or whether it is a prosaic, unsentimental business institution like any other bank in the colony, that indicates nothing more than that people have invested their money in it for the purpose of getting interest on it from the Government. At any rate, I venture to say that not 1 per cent. of the more highly skilled artisans is able during the whole course of his working life to save more than £100 solely from his wage-earnings. By the time he comes to have a deposit of nearly \$100 he has fixed on a piece of suburban land on which to build a home for himself and his family, and the money is then withdrawn. I would like to know how many small trust accounts have been placed in the Savings-bank, and how many emergency accounts of friendly societies there are? All these sums go to swell the total amount of the deposits. This table, therefore, is unsatisfactory, inasmuch as it does not give the essential facts to enable us to tell the real value of the institution as a barometer of public prosperity. It does not tell the number of depositors of from \$1 to \$5, of from \$5 to £10, of from £10 to \$15, and so on. It classifies them all under the general term of "Depositors under \$100," and there it leaves them. But I have analysed it for myself. What do I find? I find that in New Zealand, with a population of 772,719, there was, according to the Statement, deposited on the 31st December last the sum of \$5,809,552, which amounts to \$7 10s. 4d. per head of the population. That is wondrous prosperity; that is a clear indication

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with a population of 34,000,000, and you will find that at the same time they had actually £8 per head, or

nearly 10s. per head of the population better than New Zealand; while in the case of Saxony, with a population of four millions, which is generally credited by the British-speaking people with being very close to our way of thinking, and is going to do far behind in material prosperity, and where the working-classes are supposed to be particularly poor, we find that they have the astounding sum of £12 10s. per head of the population in the savings-bank. Therefore spirit of the age in land legislation, which was I maintain that the fact of our having £7 10s. one that I foresaw could not be permanent, and, 4d. per head in the Savings-bank proves nothing at all, when it is compared with returns from other countries. Let us now see how they have placed these deposits. Assuming the bulk of the class called "Up to \$100" to be the savings of the wage-earners-which it is not- and taking the averages of the various classes given in the table, I find that in 1890 there were 7,093 depositors of sums over £100 holding 58 per cent. of the total amount, while in 1900 there were 19,003 depositors holding 70 per cent. of the total amount, that is to say that off. Supposing that land in the course of time the large depositors had increased between 1890 and 1900 from 58 per cent. to 70 per cent. of to be worth \$25 per acre-and I believe that the whole of the depositors. In 1890 the deposits under £100 averaged £11 5s. per depositor, and in 1900 they only averaged £10 per depositor, so that the average amount of the small deposits was decreasing. Put in be only equal to 17s. 6d. per cent., instead another way, we find that in 1890 the large depositors represented less than 8 per cent. of the whole, and owned 58 per cent of the value of the total deposits ; while in 1900 the large depositors had increased to 10 per cent., and owned about 70 per cent. of the value of the total deposits; so that during the ten years the small depositors have decreased 2 per cent., and the amount per head held by them has also decreased by 12 per cent. I regret I have not time to deal with several other matters that I would like to refer to. Before I conclude, however, I would like to touch upon the question of land-settlement. In his Budget the Premier says : - " Last session the Rebate of Crown Tenants Act was passed. Its working has not been satisfactory, or equitable in its incidence. An amendment of the Act is necessary, and at this juncture it is well to speak plainly, for from facts which have come within my own 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." . That, Sir, is particularly gratifying to me. I have had the same gratification several times. Those with whom I agreed last year pointed out to the Premier that it was opposed to Liberalism, and that it was only paltering with the matter, and we pleaded with him to bring in a Bill such as he now declares his intention of bringing in -a Bill that will be a scientific settlement of the difficulty, and will enable these bush settlers to live practically rent-free till they have subdued the wilderness and brought it to such a state of advancement that it would give them VOL. CXVIII .- 12. then said, was the kindest way to settle them, and urged that the clumsy expedient of granting relief by his famous 10-per-cent. rebate on half-yearly rents should be dropped. And the experience of time and the logic of facts have proved too much for the Premier, and he has what we want. I, for one, will support him in this, and in doing away with the unscientific and crude step he took in making rebates in that blind way, so opposed to the if maintained on the statute-book must lead to confusion and injustice. Now, last year there was acquired under the Land for Settlements Act 388,493 acres, at a cost of £1,866,971. To that must be added the cost of roading, £30,000, giving a total cost of \$1,896,971, costing the Government in all about £4 17s. 8d. per acre. Allowing that to be first-class land, and giving the maximum amount to the lessee of 640 acres, at 4 per cent. on the capital value it would come to #125 0s. 3d., or a net annual rental of £112 10s. 3d. when the 10 per cent. was taken money has actually been paid for land in the Taranaki District-if this land was so enhanced in value by land-settlement, the rental that the lessees would then be paying would of 4 per cent. on the capital value. Now, I have conclusively proved by the return laid on the table of the House by my request a few days ago that land held under lease in perpetuity contributes nothing in the way of land-tax to the revenue of the country, and probably never will. Yet this land is held for all time-for that is what the 999-years lease virtually is

-without any increment in the rent and with- out any contributions to the revenue of the colony in the shape of land-tax. This 10-per- cent. rebate was unscientific, and could no more stand than can the present tenure without re- valuation stand. Now, I would like before I finish to say a word about "the Empire." I remember an occasion last session when the Premier waxed exceeding wroth, and stigmatized myself and one or two others as " Little- Englishers," "pro-Boers," and other terms- "socialists," and worse; he even hinted at anarchism, and all for what reason ? Because, forsooth, we hesitated to agree to his mopping up all the spare islands of the South Pacific. I remember well the figure he cut in his jingo- istic fury when he roared, "Do not those honourable gentlemen know there is a British cruiser in our harbour tugging at her 'awsers" - or her leg-rope, or something of that kind- " wanting to get away on her mission of peace and expansion." Well, I suppose she must have broken her hawsers or leg-ropes, or what- ever held her, and got away in spite of the few objectors ; and what has New Zealand got as a consequence ? A heavy leaded headline in the Budget, " Greater New Zealand," and a heap of trouble. Greater New Zealand ! Greater

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Barnum ! Also, Greater ' buncombe' ! Why, I have got the balance-sheet here of this new colony of ours. What is its total annual reve- nue ? #3,165 7s. 10½d. - mind, do not lose the halfpenny. Yes, Sir, our new dependency raised all that in one year; but it has recently been published that some scallywag has embezzled the half of it, and we may have to make good the defalcations out of our next year's surplus- if we have one. They appear to have three sources of revenue in our new dependency- namely, Customs duties levied on goods, princi- pally from New Zealand-which is rather an anomaly-trade and liquor licenses, and Court fines. Of course, the Premier takes care to explain in the Budget that the Customs anomaly is soon to be removed, and that the loss of revenue will be made up by " collateral advan- tages." Delightfully euphemistic and vague. Well, like the boy in the Pears' soap advertise- ment, "We wouldn't be happy till we got it," and now it is interesting to learn that with it we have got, as a going concern, a leper settle- ment, a penal settlement, and various other sundries. But shall we ever forget the historic occasion when the edict went forth-I believe that is the correct phrase-that we must outvie Australia as the great Federation of the South. Never ! And when, despite the pro-Boers and Little-Englishers, we did the " Deed that saved the Empire," and sang "God save the Queen " and "Rule Britannia," led by the patriotic member for the Suburbs, we felt that truly we were the representatives of a great people. Great is Jingo, and Seddon is his prophet ! One word more on the Budget before my time is up. The second last paragraph in the Budget says, - "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. Reasonable care will insure the good ship riding buoyantly and safely in calm and placid waters." When the Premier says the good ship " Fi- nance " has to be steadied one wonders what he means-whether we ought to go down below and trim the ballast, or sit on the gunwale to keep her from rolling, or send a fresh hand to the wheel to steer her properly. He had better take my advice and stay ashore, and leave the steadying of good steamers alone to those who understand the business. Under what circum- stances should the finger on the dial point to "glow"? When approaching a stopping-place, or when in a fog or other danger. Are we get- ting into port at our final destination, or are we among the rocks or in a fog? Only for one of these causes can there be any reason for the finger on the dial pointing to "Slow." I leave this to the Premier to answer. My concluding word : I am no pessimist. I have great hopes in the future of New Zealand. I do not believe New Zealand can be destroyed by self-seeking, time-serving politicians, or it would have been dead by now. But I do believe it can be re- duced to such a condition - and we are fast approaching it-as would impose a serious task Mr. Hutcheson indeed upon those who may be charged with the heroic task of putting the affairs of State once more on straight lines. Mr. SEDDON (Premier) .- I wish to make a personal explanation. The honourable gentle-

man quoted a passage from Hansard. I asked him to do me justice and not to misrepresent me, and I am sure he would not do so wilfully, but by not quoting what preceded what he did quote he placed me in a false position. You will find on page 538 of Volume 103 that I spoke as follows :- " I therefore take the number of those who could successfully claim as being one-fourth of those in the colony over sixty-five years of age -namely, five thousand ; and the payment of five thousand at £18 a year would amount to £90,000. Then, I ask, what would be a reason- able increase each year? The number of per- sons in 1891 was 14,842, and in 1896, 20,756, an increase of over six thousand. That is equal to one thousand a year. I am taking for the basis of my calculation that there would be an in- crease in the total number of persons who would be over sixty-five years of age of one thousand a year, and I am pretty well borne out in that by the other returns which have been compiled." Then Mr. Herries said, "Do you include Maoris ? " and to that I replied, --- "The Maoris are conditionally included. Then I put it, if there was a total increase of one thousand persons attaining to the age of sixty-five yearly, certainly not more than one- half would be able to claim a pension, owing to the restrictions in the Bill. I therefore make the annual increase of pensioners five hundred - that is, there would be five hundred addi- tional claims that would be admitted in every year ; and, working that out, it means that in the second year the amount to be paid would be £99,000 ; the third year, £108,000; the fourth year, £117,000; and the following year, £126,000." Therefore, when I was making my 5.0. calculations, as was stated by my col- league, and as I myself state now, it was entirely exclusive of Ma ris, because Maoris were not in the census return, and it is im- possible also to tell the aged Maori from the census return. I was quoting from the census return. Hon. MEMBERS .- NO. Captain RUSSELL (Hawke's Bay) .-- I must rise to a point of order. I maintain all this dis- cussion is irregular. Standing Order No. 136 is perfectly clear on the point. It says, " A mem- ber who has spoken to a question "-the Right Hon. the Premier has not spoken to this ques- tion-"may again be heard to explain himself in regard to some material part of his speech, but is not to introduce any new matter." Sir, I maintain that this explanation of the Pre- mier's is a speech in itself. It is no explanation at all of any speech he has made. The other Standing Order dealing with the question says, " By the indulgence of the House a mem- ber may explain matters of a personal nature " -this question is not of a personal nature-

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"although there is no question before the | either at the time, if the member who is speak- House: but such matters may not be de- bated." Now, Sir, not only is there a debate, but we have four members speaking at the same time. I maintain that the practice we are getting into now of having two, three, and four speeches by one member, more particularly by the Right Hon. the Premier, called personal explanations, is a violation of the Standing Orders. There is nothing I can see in the Standing Orders, and there is nothing in parlia- mentary practice, which goes to show that it is justiniable to make speeches not à propos of some personal explanation, but to elucidate & speech made at a remote date. I wish you to rule, Sir, upon the point as to whether these constant interruptions are in the nature of the remarks allowed by Standing Orders Nos. 134 and 136. Mr. SEDDON (Premier) .- Speaking to the point of order, I may say at once the honour- able gentleman is not going to place a gag on me, and allow me to be misrepresented, and deny to me the same privilege that is given to every other member of the House. I feel sure the Chair will give me that protection that it affords to other members. I say that, when a misrepresentation has been made, the only time to correct it is immediately at the conclusion of that speech ; and that ruling has been laid down by authority after authority. When a speaker, either unwittingly or otherwise, has made a misrepresentation, the member so misrepre- sented has always been given an opportunity to set himself right, and I claim that privilege. This is about the third or fourth time the honourable member for Hawke's Bay has raised this question, and only as regards myself. Captain RUSSELL .- You are the sinner. Mr. SEDDON. - The honourable member does not raise this

point in regard to members on his own side of the House. If the honour- able member would stop the misrepresenta- tions of members of his own party he would stop the necessity for the explanations. How- ever, Sir, I can only say that the very Standing Order the honourable member has quoted refers to this case, because I have not only been mis- represented as regards what I said in Hansard, but I have been misrepresented also as regards the Bills introduced in 1897 and 1898, and the Bill introduced at the time I was speaking of ; and I claim the privilege of putting myself right. Mr. PIRANI .- No reference was made to 1898 at all. Mr. SEDDON .- The answer to that is in Hansard. Mr. DEPUTY-SPEAKER .- A point of order has been raised. Mr. SEDDON .- In regard to the point of order, I say that the Standing Orders clearly allow this to be done, and it has been done pre- viously ; and I see no reason why there should be a departure from former rulings. If that is not to be the rule, I say let us alter our Stand- ing Orders. Mr. DEPUTY-SPEAKER .- The rule is to allow members who have been misrepresented in the debate to correct the misrepresentation, ing gives way, or to do so immediately he has ceased speaking. But I think this privilege of personal explanation with regard to misre- presentations is being abused, and I shall en- deavour to check it from going to too great length. Mr. SEDDON .- Then, Sir, to cut the matter short, the honourable member for Hawke's Bay, in this as in every other case, fails-he is an absolute failure. Section 64 of the Act of 1898, which was quoted, was as follows :- "This Act, in so far as it provides for the grant of pensions, shall not apply to- "(1.) Aboriginal natives of New Zealand to whom moneys other than pensions are paid out of the revenues appropriated for Native purposes by ' The Civil List Act. 1863.'" Captain RUSSELL .- That does not Mr. SEDDON .- Now, why do you interrupt ? It is rude to interrupt. Mr. ATKINSON .- Sir, I rise to a point of order. I wish to ask whether the Premier is in order in characterizing any member of this House as rude. Mr. DEPUTY-SPEAKER .- The Premier did not say that any person was rude ; he said that to interrupt was rude. Mr. SEDDON .- I am afraid the honourable member for Bruce has been outside the House somewhere. This, as I said in the speech, was conditional. Then I come to the Bill that was introduced in 1898, and what do we find to show that in the Act as originally introduced it did not apply to the Maoris? Section 65 provides as follows : - "Subject to the provisions of subsection one of the last preceding section hereof, this Act shall apply to aboriginal natives of New Zea- land." An Hon. MEMBER .- What is the difference ? Mr. SEDDON .- The difference is that in the original Bill it did not apply to the Natives, and that we had to put that clause in to make it apply. Mr. HUTCHESON .- I did not wish to make a point unfairly, but I still do not see the point of the explanation. The original Bill says it was not to apply to members of the Native race who are receiving .pensions from money appropriated for that purpose under Act, and inferentially it did apply to all the others against whom it did not discriminate. I pressed the remark on the Premier just now because I was extremely closely identified with the Bill in all its stages, and I recollect that there was a difference of opinion whether it would not be humiliating and derogatory to the Natives to accept the pension. One Native member thought it would, another thought it would not. I refer to this because it seems to me to indicate that the Premier must necessarily have anticipated having to provide pensions for the Natives. So far as the state- ment I made is concerned, I merely read from the Bill and from Hansard, and I have said nothing that the Premier's own statement and the Bill does not seem to me to support.

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the honourable member draws, but I tell him that as the Bill was brought down the in- ference which he says ought to have been logi- cally drawn could not be drawn-that it said it shall not apply to Natives who are receiving a pension from the Civil List Act ; it will natu- rally follow inferentially-at least, I thought so -that it would apply to the others. But the fact is that it did not. At all events, as far as I am concerned, I called it conditional, and I said so; and all I want to put myself right with the House and the country is to say this: that in making my calculations I did not in these calculations include the Maoris. Mr. HUTCHESON .- The Premier told Mr. Heke he knew nothing when the Maoris were introduced. Mr.

SEDDON .- You quoted Mr. Herries. Mr. MCLACHLAN (Ashburton) .- I intend to make a few remarks on the Budget, and I hope honourable members will bear with me, because I am suffering from a cold. Still, I could not allow this occasion to . pass without offering some comment on the Statement. In the first place, I sincerely congratulate the Premier on his Financial Statement. I admit that at the time it was delivered in this House I was lying on the broad of my back, and I can assure the Premier that probably but for the discussion that followed I might not have read it. But I was so impressed with it that none of the speeches made in the subsequent discussion, either on this side of the House or on the other, succeeded in shaking my confidence in the Government's statement of our financial position, not even when I read the criticism of the honourable member for Nelson City, than whom there is no greater authority on finance in this country-at least, it would seem that he thinks so. I am quite satisfied that in the judgment of the honourable member for Ashley, Mr. Meredith, there is no need for being very troubled about the financial position of the colony, and I believe he sincerely wanted to come to the rescue of the Premier by giving him timely warning of the dangerous condition in which the country was placed by his extravagant expenditure. Subsequently I heard the honourable member for Riccarton, Mr. G. W. Russell, who in no sense is a less worthy exponent than that honourable gentleman. Then, we had one other exponent in Mr. Millar, the honourable member for Dunedin City, and his criticism was terse and severe; but it was evident from the way in which he was handled by one of the Ministers that he had not a foot to stand on. In fact, I think, with the exception of my honourable friend the member for Auckland City (Mr. Witheford), who is also a great authority on finance, there was no other member of the House who tackled the financial position with any effect at all. I heard this afternoon the member for Wellington City (Mr. Hutcheson), who I may be allowed to say is a personal friend, go vigorously over the whole financial position, and I do not think he approached by one iota the real position until he came down to the Premier's insane proposal-I do not say it of 10 per cent. to tenants last year. Under the heading "Crown Tenants' Rebate of Rents " the Budget says, - "An amendment of the Act is necessary, and at this juncture it is well to speak plainly, for from facts which have come within my own 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." What has this got to do with a rebate to Crown tenants? It has no connection whatever. It begins by speaking of a rebate of rents to Crown tenants under the Land for Settlements Act. Mr. PIRANI .- Do not criticize the Budget too severely. Mr. MCLACHLAN. - No ; I am doing it as a friend. But I say there is no connection between the two subjects at all. The honourable gentleman is going to give the Crown tenants a rebate of from four to five years' rent in order to please the honourable member for Masterton, the honourable member for Pahiatua, and some other honourable members. He is going to give their constituents four or five years' rent. Could there be any safer way of securing the return of those honourable gentlemen to this House for the next four or five years? But at the end of that time what will be the result ? Speaking from some little knowledge of land-settlement, I say that the tenant who has been successful in obtaining a block of bush land at a merely nominal rental will have that country roaded for him by the Crown, and he will clear and fell the bush and erect his fences, but unless there is some limitation provided in the Act which would prevent that settler from selling out within a certain time-that is, transferring his section-he will transfer to some other settler, and will possibly leave him in the position of having to pay a rack rent. The first settler then may go and take up another block of land, and I get it with four or five years' rent free. I feel quite satisfied that when the Premier comes to consider the question fully he will make provision for some such restriction in the Act, so that, unless it may be owing to ill health, or some other good reason, a settler may not be allowed to transfer his section to some other person. Now, Sir, I cannot attempt to discuss the Financial Statement. I have already heard it discussed from every possible point of view, and I could not say a single word or make a single statement that has not been made by some other member. And what has been said in the House makes no impression upon

me, and I am a pretty fair index of the general opinion of the country. I may say that I read with much regret, when I was at home ill lately, that the honourable member for Hawke's Bay made a most extraordinary statement as a farmer. He spoke in a truly pessimistic vein of what the poor farmers were suffering and enduring under the taxation imposed by the Government. In fact, he says it is reported in the Lyttelton Times that farmers' produce was low in prices. Well, I have perhaps not been

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as big a farmer as the honourable gentleman, but I have got my living off the land for the last thirty-five years, and I have sold a little grain and produce of all descriptions, and I may say that I have known farm produce of all sorts much lower than it is now. For instance, I never knew in the last few years cows to be so dear-and I cull a cow farm produce - nor have I ever known ewes and lambs so dear at any time except in the very early days. An Hon. MEMBER .- Not a bit of it. Mr. MCLACHLAN. - You come down to Addington and hear the quotations there, or take them from the Christchurch Press, an authority which I do not think the honourable member for Hawke's Bay will dispute. What does its report of the Addington sheep-market show ? All I can say is that if it is true that the price of wool is at its lowest, then the colony must have enormous vitality, and that shows that there are other sources upon which the country can depend to retain its equilibrium of finance, even if wool falls further in price, which, of course, everybody hopes it will not. Why, for ewes in lamb in the middle of August the price was so high that it was not quotable. The following are the prices at the Addington sale-yards for the years given : 1894, ewes in lamb, from 7s. to 8s. ; 1895, not quoted, dull sale ; 1896, lambs, 12s. to 14s. ; 1897, cross- bred, 10s. to 11s. ; 1898, crossbreds, 5s. to 11s. ; 1899, crossbreds, 15s. to 16s. ; 1900, market unchanged; 1901, crossbreds nearly all passed, owners' values too high. Prices for general farm produce are not so low as I have known them. I know a farmer who has been receiving the following prices : 33d. for his pork ; 84d. and 9d. for his butter-and these prices were cash ; and if he had young cows to sell he got from £8 to £10 for them. Then, let us take the case of farmers like the honourable member for Hawke's Bay, who send thousands of fat sheep to the works to be converted into frozen mutton. What have they got during the last few years ? They have had many benefits, including the increased returns produced by labour-saving machinery ; they have had reduced railway freights, reduced freights on the ocean-going steamers, and they have got the returns from the by-products of the car- The honourable gentleman knows that cases. the sheep-farmer is not any worse off at present than he has been for many years past. I admit that in some classes wool is as low now as it has been for many years; but in the case of fat sheep, taking wool and taking the carcass as a whole, the sheep is worth as much money as ever it was. If there is a loss of 3s. on the clip of wool, there is a gain of 3s. on the carcass. What about three years ago? The farmers then got from a million and a half to two millions more than they expected for their clips. If they were prudent men they then, no doubt, paid off their overdraft, if they had any, or paid off the money on their premises, or built themselves better houses, or improved their flocks. It is very likely they did one of those things ; and, if they did so, the profits they made then will go far to meet the low price they are receiving now. I know one farmer in Canterbury who exports a large quantity of wool. I asked him two years ago, " What are you going to do with the money from your wool this year ?" and he replied, " I sent wool Home which has realised £10,000 more than I expected." I said, " What will you do with the money ?" And he said, "I have given authority to an architect to prepare plans for a new house for me. I have never had a decent place in my life before, and I want one now that I can live in comfortably." That shows, then, the stimulus that was given to trade as a result of that man's profitable returns. Carpenters, bricklayers, and others were employed on the house for some time, and naturally there was an inflation of the building trade in that locality. Therefore I say that these wool- kings have not reached bed-rock ; indeed, they are far from it. I also wish to say that the quotations I have given of the Addington market have been taken from the Christchurch Press. Now, I wish to compliment the Hon. Sir J. G. Ward on his

railway management. It is said no concession has been given to the farmers. Well, the honourable gentleman read out a list of items that did not appear in the Premier's list-I have no doubt they are all correct-and, when we perceive the nature of the reductions that have been so far given to farmers, I do not understand how any one can say the farmers have not received consideration. In the Financial Statement the Premier says this with regard to the railway concessions :- " In connection with results of working the railways for last financial year the large concessions in rates granted by the Government since resuming control of the lines should not be lost sight of, as they have a very material effect on the results for the year. The total reductions made since the Government took over the railways amounted, up to last year, to no less than £369,439, and to 31st March, 1901, to £420,239." The list of the principal concessions granted shows that the farmers have received the benefit of all the concessions. There is a reduction of live-stock rates to the extent of \$25,000. Who gets the benefit of that sum except the farmers ? Firewood, chaff, and lime are also carried at a cheaper rate, the reduction being \$8,000. Then, we have " Free carriage of lime, butter, eggs, and fish empties, £1,500 "; and the abolition of the extra charge of 1d. per ton on branch lines amounted to \$3,000. Then, we have " Agricultural produce, \$45,000," and " Butter and cheese, \$5,000." Was that reduction made because the butter and cheese industries were languishing? No; the industries never had palmer days than when these reductions were given to them-in fact, they were given as gifts. In the way of concessions we also have "Artificial manures, \$1,000 ; bricks, clay, coal, &c., \$3,000 ; general reduction of ordinary passenger and season rates, \$68,000; cheap tickets for workers on Auckland, Wellington, Christchurch, and Dunedin suburban lines, \$1,600." Next we have an item that the member for Hawke's Bay,

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Captain Russell, and other honourable members who have a fancy to see the good old sport of horse-racing, will appreciate : "Concessions to racehorses, polo ponies, hunters, and hounds returning from races, polo meetings, and hunts, \$2,800." Where does the working-man get any benefit there? Are the Government pandering to the working-men, who have put them on the benches, and who are keeping them there? No; they are pandering to the people who wish to turn them off the Treasury benches. Then, we have "Carriage of goods from centres to ports for shipment, dead-weight instead of measurement, £11,000." Who sends goods to the ports but the farmers? All the concessions, it seems to me, are given to the farmers. This part of the Financial Statement also shows that reductions have from time to time been made on a very large number of articles of every-day use carried over the railways, and further states, - "The regulations have been made of a more liberal character than heretofore " -- [the member for Franklin said that all the real Liberals were on the Opposition side of the House ; but I contend that they must be on the Government side, because it is by the Government the reductions have been made]- " train service is improved, speeds increased, and additional trains, involving an expenditure of many tens of thousands per annum, have been provided ; and, to further meet the convenience of the public, goods and passenger traffic have been separated wherever the volume of business has warranted such a step." When I was interrupted by the half- 7.30. past five adjournment I was dealing with the criticisms of those honourable members who had spoken during the debate, and I believe I succeeded in convincing honourable members so far as I went, and I think it unnecessary to proceed any further on my former lines. I will therefore now take a new departure by referring to a matter that has not already been touched upon - namely, the reason for the discontent amongst the farmers of the colony, and for the origin of this new Auckland bantling, the Farmers' Union. Auckland is a place famous for producing political organizations of this kind. An Hon. MEMBER .- It is not political. Mr. McILACHLAN .- I will show you whether it is or not by-and-by, for I intend to put some extracts into Hansard with reference to it. Before I proceed further I may tell honourable members that the union has even taken root in the great district of Ashburton. A report recently appeared in the newspapers of an extraordinary meeting held at

midday on Satur- day, which is market day at Ashburton. The meeting was reported to have been attended by two hundred farmers, representing the whole of the Selwyn electo ate. Of these I suppose that 120 belonged to Ashburton, and the rest of them to other parts of the district, and very many of the names given were those of persons who supported my opponent, Mr. Harper, at the last general election, so that it does not strike terror into me. Mr. McLachlan Mr. SEDDON .- Who is Mr. Harper ? Mr. MCLACHLAN .- He was the unsuccessful opponent of the member for Ashburton at the last election. The honourable member for Riccarton, with the view of advancing the interests of the working-men, gave notice of an Eight Hours Bill. I do not know who drafted that Bill-probably he did so himself-but it bore the construction that it was applicable to farm servants of almost every class but dairy- maids. As I have already said, this so-called Farmers' Union caused the meeting to be called at Ashburton, which was addressed by a man called Glass. I do not know Mr. Glass, so I am not going to speak disrespectfully of him ; but he addressed the Farmers' Union. and said he considered it the most successful meeting he had ever met, and it was resolved to esta- blish a Farmers' Union there. Now, I heard the member for Franklin ask the honourable member for Ashley what the tenets of the Farmers' Union were. I am going to give you the platform on no less an authority than the Otago Daily Times, as reprinted in the Lyttelion Times. It is this-it is a recent article, and it says this :- "The executive of the Trades and Labour Council has evidently not yet made up its mind concerning the farmers' unions now being formed in various parts of New Zealand. There is an undercurrent of sarcasm, not very obvious, in the references to Mr. Glass's organizations contained in the report adopted by the Coun- cil on Saturday, and we expect that the interest of the workers in the progress of the new body will be mixed with a little alarm. If we had any doubt in our own mind as to the objects for which the farmers are being or- ganized, it would be dispelled by the outspoken comments of that reliable and confirmed Con- servative organ the Otago Daily Times. ' Duly recognising that the interests of the farmers were suffering at the hands of the labour unions,' says the Dunedin journal, ' Mr. A. G. C. Glass, of Kaitaia, Auckland Peninsula, con- ceived the project, some couple of years ago, of a farmers' union.' The spread of the move- ment, we learn, is due to a 'growing alarm at the aggressive character of the labour unions,' and when once the union is thoroughly organ- ized a working political platform will be agreed upon. Then, triumphantly declares the Otago Daily Times, ' for the first time in our political history, the labour unions will have opposed to them a powerful organization.' There is no- thing of all this in the printed ' objects' of the union, but the Times, which evidently has its information at first hand, devotes less than a dozen lines to the printed objects, and a full column to the real intentions of the organiza- tion. We gather from this that the union is formed for the following purposes : (1) To re- sist the political power of the labour unions ; (2) to oppose labour legislation ; (3) to encourage settlement of the land, with a ' freehold' clause ; (4) to reduce freights on produce ; (5) to advo- cate taxation for revenue purposes. and to resist the protection of industries; (6) to ' educate ' the farming community."

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for some of them want educating, I know, on political matters. Now, this shows that this union was originated in Auckland, at Kaitaia, by Mr. Glass, and that it has for its object the destruction or opposition of the labour legisla- tion passed by this Government. Now, I con- tend that the condition of the worker has improved since the first labour laws were passed in this House in 1894. They have gone on steadily improving, and their influence has been in an upward direction ; and capitalists, having greater confidence in the present state of things, have spent more money in bricks and timber and iron than ever they did before. Yet these farmers are opposed to them. I will now read another extract from the Lyttelton Times : - "Mr. J. Studholme, junior, seconded the motion [to form the union]. He said, if they were to succeed they must start on right lines, and, therefore, it was necessary that there should be a conference at which all should be represented. They must have it thoroughly understood that they were not a farmers' union in

opposition to the interests of farm labourers, or they would have papers like the Lyttelton Times taking advantage of any slip they might make. "The motion was carried." Mr. Studholme wants to get a certain number of working men, farmers' employés, shepherds, and ploughmen to subscribe to the objects of the union and pay in a yearly sum ; but they will not be able to attend the meetings, and consequently every motion brought forward in the interest of the employer will be carried. But, - " Mr. Glass explained that the Council would meet in each province, starting with South- land, in about two months, and directly all the provinces were organized and their Councils had met, there would be a conference of dele- gates in a main centre." That will probably be Ashburton. But the strangest part of the business is that one of our Ashburton business men, a member of a firm that lends more money than any other financial firm in Ashburton-I refer to Mr. Max Friedlander-in moving a vote of thanks to Mr. Glass for his able and clear address, took occasion to say that " the borrowing which had been going on lately by the colony was against the wish of every farmer." Could any reason- able man believe that ? Here is a money- lender, the representative of a large firm in Canterbury, who has enormous sums to lend- not at 5 per cent., but at 7 per cent., with 2} per cent. commission. He went on to say, "The increasing of the public debt by \$50,000,000 by the present Government was leaving a very unfair legacy to their children, who had no hand in contracting the debt." These farmers, who are to be educated by Mr. Glass and the union, were asked to believe that this Government has increased the public debt by £50,000,000! Could anything be more ridiculous or absurd? But it is the kind of thing we hear from the Opposition benches.

Waymouth-known to many members of the House-one of the most enterprising men in connection with the frozen meat trade. In fact it has grown up under him and his former master, Mr. Grigg, and he has been indefatigable in his efforts to reduce the cost to the farmers who send their sheep to the works for conversion. He has reduced the cost to almost one-half. But they never raised the butchers' wages, nor the fellmongers' wages, nor the tallow-men's wages, nor anybody else's wages except perhaps the directors' wages. Now, Mr. Waymouth has been in Wellington recently, and has approached the members of this House to see if he could not get some check on this objectionable la- bour legislation. He says that if the Bill now before the House is placed on the statute-book it would mean that they would have to increase the cost of conversion by 25 per cent. Well, I think that is a big stretch. Even supposing the butchers did ask 25 per cent. increase of wages, these men are entitled to share in the 100 per cent. reduction previously made and given .to the farmers. Why should not the butchers have a share in some little advantage given through no efforts of these farmers, but simply through force of circumstances. But these men are not infallible. The Hon. the Minister of Mines, speaking the other day, so far forgot himself as to even take credit for the enormous increase that has taken place in the production of wool and mutton, and other products of the farmers. I was astonished to know that that was a suitable increase for which he should take the credit. I wish to speak now of the Lands for Settlement. I believe that has been lauded, but it has not been overlauded, in Canterbury. I do not know all the estates acquired, unless one or two, in Otago, but I think, without exception, I know every estate that has been purchased in Canterbury up to the present day by the Government, and I be- lieve these estates have paid and are paying more interest to the State than they have cost. But I hope the Government will proceed as cautiously as they have hitherto done in Canter- bury in purchasing estates at a fair market value. I am afraid that there has been an inflation recently both in grain-growing and sheep-growing land in consequence of the high prices ruling for sheep and wool and grain. Why, three harvests ago I sold my wheat for 4s. a bushel at the machine, and no farmer can tell me that was not a paying price ; and some farmers recently have got 4s. 10d. a bushel. An Hon. MEMBER .- What are they getting now ? Mr. MCLACHLAN .- Well, I am not selling just now. I want half a crown. But there is another branch of settlement that I do not believe, and never have believed, it was prudent for the Government to enter into, and that is purchasing land near towns for what is called The Minister of Lands village settlements. is not

here, but there are plenty of his col- leagues here to tell him what I say ; and I challenge the Minister of Lands to lay upon the table a statement of all these village settle-

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ments in Canterbury, and show me that they have ever paid anything like 4 per cent. Many of these estates are bought by and sold to the Government, and then are roaded and cut up at a considerable cost ; and the local bodies in and around Christchurch are so particular that they will not even take over the roads until the Government shingle them and put channelling in them. Well, the result is that one-half of these sections are not taken up, and here is the Crown paying 4 per cent. on the whole cost of the estates, in addition to the cost of road- ing. While the Government are entitled to every credit for their efforts in connection with the land-for-settlements scheme, and also for the land-purchase scheme, I say that the advances- to-settlers scheme has proved the greatest success ever undertaken by any Government in any part of the world. I have not the returns at hand, and if I had, some members might think I was not quoting them correctly, but I know it has been stated on what might be called reliable information, in this House, by people who are responsible-I have seen the returns myself, published under authority- that scarcely any money at all has been lost, and that of the whole of the branches of the public service that has practically come out best for the Government. Now, I am going to imitate that splendid example of my honour- able friend the member for Wanganui. If I recollect aright, every time that honourable gentleman speaks his peroration is, " Place a sum of money on the estimates to open up that great bush country at Wanganui" ; "Give subsidies to make a harbour at the mouth of the Wanganui River " ; give us everything we want, and then give peace in our time, O Lord! Now, there is in our district, which, as I have stated, is the most important agricultural district in New Zealand, great mineral wealth as well. There is now a dearth of coal in Canterbury, and the Minister for Public Works will acknowledge what I am saying when I say that we have in our district large measures of coal equal, if not superior, to the Kaitangata coal. During the last winter, owing to the visit of the Duke and Duchess of Cornwall, we poor farmers have not been able to get a single ounce of Westport coal-we have had to take Kaitangata coal; and, yet in the country I speak of there are coal-measures of equal value to those in Kaitangata. All that is required is a small line of railway, put not to one but to several pits, and then it would run down of its own motion, and from Ashburton it might distribute east and west and north and south. That is something which it is worth while for the Government to con- sider. There is another matter that concerns my constituents, and I hope the Government will not overlook it. I was looking at the returns, and I can see that last year the Ash- burton County Council is represented by a blank under " Advances to Local Bodies." do not know that I would ask the Government to give it an advance, but I would mention that the terraces of the district are very high. it is good sheep country -- in fact, there is no Mr. Me Lachlan better in New Zealand, according to stock- carrying capacity-but it cannot be occupied for want of water. The ratepayers there- and the Government owns land there too - had some scheme of water-supply. The people borrowed £5,000 or £6,000 and spent the money under the best engineering advice they could obtain ; but a very heavy flood came on and washed away what might be called the lip of the water-race, and all this money is absolutely lost to the ratepayers, who have taxed themselves to the highest rate allowed by law-or it will be lost to them un- less the Government comes to the rescue by granting a vote. Now, seeing that the Ashbur- ton County has never asked for a vote, surely we are entitled to expect the Government to come to the rescue of these people by granting a vote. The honourable member for Geraldine is a good deal interested in this, as well as myself, and I am sure the Government will give attention to it. It does not mean one vote, but two votes, in this House; and with parties pretty evenly divided that would mean a balance of power. I am sure the Premier will consider this. Then, there is a bridge called the Rangitata Bridge, which connects two important districts, and the river is seldom fordable for sheep. It is a dangerous river. The Government have put a railway-bridge there : and all we

ask is that the Government will vote a few thousand pounds to widen the bridge and make it capable of carrying ordinary stock, so as to connect the two districts. Well, Sir, these are objects which I think I am justified in bringing before this House, because honourable members, when they look up the supplementary estimates by-and-by and see several thousand pounds applied to these purposes, will be apt to say, "Here is corruption and bribery " ; but when they remember that I, in open House, gave thoroughly good reasons for these things, they will vote for them to a man. Now, Sir, I could, if I were disposed, fill up my time very easily by reading a lot of printed matter ; but I am sure so much printed matter has been placed in Hansard by nearly every other member who has spoken that I should be inclined to strike it out of Hansard as perfectly unintelligible matter. On the whole, I congratulate the Government on the position of the country, as outlined in the Financial Statement, and upon the manner in which they have come through the ordeal of this debate. Mr. WILFORD (Wellington Suburbs) .- Mr. Deputy-Speaker, I propose to address myself to-night to answering some of the statements which have been made by some of the members on this side of the House in criticizing the Budget and estimates. I propose to show to honourable members the absolute fallacy of the so-called arguments which have been introduced into this debate by the honourable member for Nelson City (Mr. Graham). And I think I shall be able to demonstrate before I have finished that, as far as the statements made by the honourable member for Nelson City against the finances of the Government are concerned, they are absolutely fallacious and incorrect. The

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first statement that I propose to criticize-and | grand total of increases of £56,069, you come in doing so I propose to criticize it in no personal spirit, but simply discussing the figures which have been produced by the honourable member in support of his allegations against the present Government-is this: He stated, on the discussion of the Financial Statement, that "in the present estimates there are increases in salaries to the amount of £45,000, outside the automatic increases that occur under the Classification Act." Now, I do not propose in any hostile way to suggest that the honourable member who made that statement desired or intended in any way to mislead the House ; but I feel certain of this: that had the honourable member paid any attention whatever to the increases in the estimates he would come to the conclusion and be satisfied in his own mind, if he is fair and impartial, that the statement made by him is absolutely incorrect. Now, I will show honourable members, and demonstrate to them in a few moments, how far the honourable member for Nelson City was wrong in his figures -and one has only to look at the Classification Act and at the estimates in order to discover by a mere simple sum in addition that the figures of the honourable member are, as I say, absolutely incorrect. He stated that the increases in salaries amounted to £45,000 outside of the automatic increases that occur under the Classification Act. Nothing of the kind. In the first place, the increases do not come to the figure he mentioned, £45,000. The actual amount of the increases-that is to say, the total amount of the increases as shown in the estimates-amounts to £56,069; and if the honourable member had looked at and dissected the table of increases, and had considered and added up the total, and checked it with the increases under classification, he would have found that, out of this total £56,069, no less a sum than £43,633 is made up of increases in the departments under the various classifications. Now, honourable members will understand this : If £43,633 are increases under classification, and you deduct from the sum total of £56,069 the sum of £43,633, you have the sum of £12,436, which I say is the sole increase in salaries beyond the classification. That is to say as follows : The honourable member stated that the amount of increases was £45,000 besides the automatic increases ; the automatic increases amount to £43,633, therefore the sole increases outside the classification is a sum of £12,436. Now, how is that sum of £12,436 made up? Quite easily. It simply requires a careful analysis of the figures, and a careful dissection of the sum total of those amounts which are to be expended in the way of advances outside

the classification, and we will see that it works out in this way : (1) A sum of £1,464, which is to be paid by way of increases to cadets; (2) a sum of \$1,120, which is to be paid under regulation and agreement to printing and galls ; and (3) the ordinary increases made by Ministers of £9,852. These items make a total of 412,436. Now, if you deduct £12,436 from the back to the £43,633, which is the total amount of advances in salaries under the Classification Act. Do any honourable members venture to suggest in regard to the Classification Acts as passed that the automatic advances to use the words of the honourable member for Nelson City - which have taken place, and which this Parliament has sanctioned, and which honourable members have approved-does any one venture to suggest that there should be a block or a break-up of this way of carrying out the increases which are provided for by law. Honourable members will see that the statement made by the honourable member for Nelson City that £45,000 of increases have been provided outside the automatic increases under the Classification Act is absolutely incorrect. Mr. SEDDON .- He is only £30,000 or so out. Mr. WILFORD. - The honourable member for Nelson is £32,562 out. It may not be much to him, but it is a good deal when the total amount of increases is £45,000 according to him. If an honourable member who quotes to the House figures which he sets forth to the country as the "state of the poll" - if an honourable member takes no care to insure their correctness, and is found to be wrong to the tune of ±32,562 in a matter of £45,000, what credence can be placed by the people of the country upon statements made in this House ! I think that answers absolutely the statement of the honourable member with regard to that amount. If I go a little further into detail as to how the £12,436 is made up, I get at it in this way : I divide the increases into three tables, A, B, and C. "A" includes all those increases in salaries of £300; "B" increases of salary between \$300 and £400; "C" increases in salary between \$400 and \$500. Then we have an extra table for those over \$500, and another table for heads of departments. What do we find? In "A" there are 802 increases, amounting to #1,021 ; in "B" there are forty-five increases, amounting to £1,000 ; in "C" thirty increases, amounting to £675; increase in salaries over \$500 six, amounting to \$175; under "heads of departments" there are seven increases, amounting to £250: making altogether 880 increases, amounting to £12,131. To that has to be added increases to the number of forty-four in the Printing Office, which makes a total of £315, and you come back to the total I quoted of \$12,436, and that, outside the Classification Act, is the sole amount of increase proposed to be made in the salaries of these departments. The next matter I wish to discuss, as far as the member for Nelson City is concerned, is a remark he made in regard to the debts and liabilities of the colony. The fact does not seem to be appreciated by the member for Nelson City, and it does not seem to have been made plain to many members as to the real difference between "debt" and "liability." From a remark which fell from the member for Nelson City, I cannot help feeling that he does not appreciate the difference between the word "debt" and the word "liability." There are amounts set out in the table of ex-

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gories, or either. There are amounts which cannot be included, and which cannot be considered as debts because they are not liabilities. It is customary for the Cabinet to meet in October in each year ; they propose certain expenditure, and send it to the various departments. The money may be voted for three different years before it is expended, and if it is voted for three different years before it is expended, is it going to be totalled as "debts" for the three years? What is the distinction between "debts" and "liabilities"? The words of the member for Nelson City in connection with this matter are as follows. He said, "The Treasurer shows a credit balance of £232,515, and he gives his estimate for the current year without any reference to the debts owing." Then, in referring to the Minister for Public Works, he says, "He makes his ways and means to be £2,532,515, then estimates there will be an expenditure of £1,950,000, and a balance remaining at the end of the year of £532,515." Does the honourable member know the difference between "liability" and "debt"? If he does, he most skilfully conceals the fact,

because nobody who reads the speech of the honourable member or who heard his speech could think for a moment that the honourable member understood the distinction. Now, let us look at a table of some of the outstanding liabilities of the colony—let us consider a table prepared from the estimates, and from the statements in the Budget, and what do we find? We find under (class I. an amount of £191,309 15s. 1d. which is debited—if I might use that word for the time being—to the Minister for Public Works and the Minister for Railways. We add to that " Railways, additions to open lines, £400,686 3s. 11d. " : total, £591,995 19s. That I will admit is debt. The next item we come to is under the head of " Minister of Lands," "Roads and bridges, proposed expenditure, £398,166 15s. 3d." ; under " Mines." "Roads on goldfields, £49,221 9s. 2d." : or a total of £447,388 4s. 5d. That is a liability. The next item is, " Commissioner of Electric Telegraphs, Instruments, &c., \$26,989." That is a debt. Then, "Minister for Public Works," " Public buildings, £73,375." That is a liability. Then, " Minister for Public Works," " Lighthouses. £10,313 16s. 7d." That is a liability. Then, "Minister of Defence," " Contingent defence, £140,000." That is also a liability. Is there not a marked distinction, in the criticism of financial proposals, between the words "debt " and "liability " ? And must not that distinction be always made by any one who honestly intends to criticize, without having any feeling hostile to the Administration ? I can well understand that, for the purpose of hostile criticism, with a desire of making the finance of the party in power appear blacker than it really is, for political purposes, the whole of those sums of money may be treated as debts, and not as liabilities, for the purpose of showing the state of the country. But I say it is Mr. Wilford that the whole of those sums are debts, as it was said by the honourable member for Nelson City they were. Sir, I extract from that table those amounts I put down as liabilities instead of debts, and what do I find ? Taking the totals—£447,388 4s. 5d., £73,375, £10,313 16s. 7d., and £140,000 - we find that £671,077 11s. is the sum that actually and honestly comes under the definition of " liability," and is not properly described as "debt." Take, for instance, our estimate in regard to co-operative labourers. If we have eight thousand labourers, and pay them \$3 a week, say, for the sake of argument, we have £24,000 per week to find. We multiply \$24,000 by four, taking it roughly that there are four weeks to the month, and we get \$96,000. Then we multiply £96,000 by 12 in order to estimate the proposed expenditure in the way of wages for the 8,000 for the year, and, multiplying £96,000 by 12, we get over ¥1,000,000 sterling, which is the estimated expenditure to the co-operative labourers. Would that be accounted a debt, as far as the finances of the colony are concerned ? Would it even be accounted a liability? It is only the proposed expenditure for the 8,000 men employed for the twelve months. Is it a debt or a liability? It may become either, but it is not necessarily one or the other. Therefore we find, if we criticize the matter, and if we come to the question of whether it is a debt or a liability, that no less than £671,077 11s. should be treated as a liability out of a total of £1,292,095 12s., and should be deducted therefrom. Mr. HALL-JONES .- It is more than that. Mr. WILFORD .- It may be more than that. The honourable member may be in possession of other items that may be treated as liabilities, and which the ordinary observer cannot understand ; but I am satisfied to point out that out of a total of £1,292,000, a sum of £671,000 can be treated as liability and not as debt. Take the item of £140,000 which is put down for contingent defence, under the head of " Minister of Defence." Is that a debt? The Government propose to expend £140,000. Is that a debt? Is the colony likely or in a position to be called on to pay, or is it probable the colony may have to repudiate ? Where is the debt ; where is the liability in regard to that £140,000? It is simply a proposed expenditure. If honourable members, in criticizing from their side of the House, twist facts and figures to show such results as I have pointed out, it is disingenuous on their part, to say the least of it. I do not consider it is necessary for me to say more in regard to those particular figures, but it is always necessary, when criticism of the Government party comes from a member of the Government party, that those figures should be fully sustained before they are put forth to the world. They should also be carefully criticized, because it naturally follows that when a member of

the Government or a member of the Government party criticizes in a hostile manner the finances of the party he is supposed to belong to, the world outside considers there must be something

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Nelson Harbour Board Bill the honourable really tangible and strong in the suggestion of the honourable member, because he is cutting member said, - "It was hung up till late in the session, and the ground to some extent from the party he is he said the Premier had said he would have presumed to represent. As to the honourable opposed such a present had any one asked for member's attack on the Government, I understand the doctor's opinion is that, though pro- it but Mr. Graham." The fact that Mr. Graham asked for it was strate, the Government will probably recover sufficient to overcome all obstacles. And this from the severe attack of blank cartridges, and I do not suppose that it will make much differ- is the honourable member who tells the House and the country that the state of the finances ence to the party or the Government of the day. is rotten, and at the same time he told his I cannot understand the honourable member constituents that he was going to get a big for Nelson City in making that statement, share of the £100,000! The honourable seeing that he has been so long in the House. gentleman wound up his speech by saying When I read the speech he made to his con- that he recognised the assistance of the Pre- stituents between last session and this, I was mier (Mr. Seddon), the Minister for Railways, dumbfounded at his attitude. I will read and Mr. Hall-Jones; and the local paper it to honourable members, and they will then - which I am sure he had no influence in- be able to judge as to whether he has been put, in brackets, "Great applause." Need the consistent or not. When an honourable mem- Government fear that sort of criticism ? Need ber makes a denunciatory speech against the they trouble their heads a snap of the finger finances of the party to which I claim to be- about it? Is it the kind of criticism Go- long, then I say-and I say it feeling a good vernment supporters need be afraid of refuting deal of responsibility-that it is time for that when they meet their constituents. I say, honourable member to declare his allegiance Sir, there is nothing to be afraid of in it. to some other party. The foundation of good I shall have the utmost confidence in standing government is its finance, and when members before my constituents and demonstrating from of a party find it necessary to declaim against the very figures the honourable gentleman used the finance of the party they belong to it is the that his statement was inaccuracy itself. duty of those honourable members to at once Now, I want, first of all, to ask, in regard change their side if they believe there is cor- to this debate, what has been the position of ruption. Now, sir, let me read to honourable the parties in this House on the Budget. We members the speech of the honourable mem- have heard the criticisms in the early part of ber for Nelson City, who has raged against the the debate of the honourable member for Government in such unmeasured terms. The Hawke's Bay (Captain Russell) and of the honourable member is a political Vulcan, honourable member for Bruce (Mr. Allen). We raging, and fuming, and throwing his thunder. have heard the soft insinuations of the honour- bolts- harmless as in the days of old-right able member for Bruce to the honourable mem- and left, with the view of disconcerting the ber for Hawke's Bay ; and I cannot help thinking Government. Let us remember what he said of the old idea of history repeating itself, and from his place in the House a few days ago, that members on the Opposition benches fur- and then let us read what he told his constitu- nish a very apt illustration of the condition of ents between last session and this. He said,- things that existed, perhaps, in imagination, in " More had been done for Nelson than in any previous session he could remember. Provision had been made for continuing the line by way of the Tadmor, and for bridging the Motueka River. A vote of £100,000 has been passed for the various sections, and he hoped that they might get a considerable share. The next thing was to get authority for the money. He was about to visit Wellington, and one mission would be to get that line. Speaking of the Nelson Harbour Bill, he said it was hung up till late in the session. During the interval the Premier told him the Government could not give up the waste lands, and he was staggered for the time. Mr. Seddon suggested a rating- area. One member

told him that the Act meant a present to Nelson of £45,000 in respect to cash endowments, and a total present of £87,000, and that he would have opposed such a present had any one else asked for it but Mr. Graham. He recognised the assistance of the Premier (Mr. Seddon), the Minister for Railways (Mr. Ward), and Mr. Hall-Jones." Just fancy the honourable member asking for that sum out of the £100,000, and at the same time telling us that the finances are rotten, that the Government had no right to be there, and "folk-lore," we may call it, in the early ages. We will imagine, for the purpose of illustration, that the honourable member for Hawke's Bay, Captain Russell, and the honourable member for Bruce, Mr. Allen, are desiring to hold the reins of government. They desire to turn from these benches the Premier and his colleagues ; and, with the exception of one member of the Opposition, the member for Waitemata, Mr. Monk, they desire to see the Government out of office. The reason why I except the honourable member for Waitemata is because during one of his flowery orations, which took place some little time ago, he told the House and the country that he did not wish to see the present Government out of office. We all knew that that was the case, but we did not expect to hear any of them say so. We understand perfectly well that the honourable members do not want to see the Government out, because they will be like Othello—their occupation would be gone. Were a reconstruction to take place, were a new Ministry to sit upon these benches, the honourable members opposite could not expect to be included. If another party held the reins of

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Government it would be a progressive Liberal party, and the members that compose it would be from this side of the House. The personnel of the Ministry might be changed in one or two departments, but the policy now enunciated would be carried on. Should the member for Hawke's Bay and the member for Bruce obtain the reins of Government, where would the chariot of finance go with the honourable members in charge? I compare the honourable member for Hawke's Bay to Phæthon; I compare the Hon. the Premier to Helios, the Sun-god; I compare the honourable member for Bruce to the soft insinuating Epaphus, who suggested to Phæthon (the honourable member for Hawke's Bay) that he should ask his father - his father in progressive legislation - for leave to hold the reins of the fiery chariot, if only for one day. Helios was the Sun-god who drove the chariot of fire across the heavens, and Epaphus suggested to Phæthon that he, Phæthon, should ask from Helios the right to drive that car if only for one day. He persuaded Phæthon (the honourable member for Hawke's Bay for the time being) by his soft insinuations to pray to Helios, the Sun-god, to give him the reins of the chariot. Helios knew the trouble that would eventuate. He knew the political incapacity of the member to whom he was asked to hand the reins, and he hesitated, and dreaded the consequences, but finally, lending himself to the expostulations and entreaties of the member for Bruce (Epaphus), he allowed the member for Hawke's Bay (Phæthon) to hold the reins. What happened ? The steeds became unmanageable ; the chariot burned the heavens and the earth, and had not a thunderbolt been hurled for the purpose of stopping Phæthon in his headlong career to destruction, the whole earth would have suffered, and the sun would probably have stood still for ever. Shall Helios, the Sun-god, hand to Phæthon and Epaphus the chariot and the reins of Government ? Not for a week, not for an hour. Honourable members know, as well as I do, the Opposition policy is criticism. May they criticize ! but when they ask the country and ask members to help them to direct the colony in the way it should go, the country gives them their answer at the hustings. Now, let me turn to a point in the Statement which deals with land-settlement. A comparison table is furnished in the Budget of this year as to the amount of land taken by the Government for settlement. Every member in this House, whether on the Government or the Opposition side, admits that the Land for Settlements Act is an Act which no honourable gentleman would even suggest the repeal of. Let us have a look at the table, and allow me to quote a table in reference to the land purchased by Government during their term of office, and I will show you, as far as Wellington is concerned, the Province of Wellington has been left

shamefully out in the cold by the Seddon Administration. I do not know why it is. Have the honourable members opposite -- Mr. Atkinson and Mr. Hutcheson- Mr. Wilford vince on the Government ? I have done so. Mr. ATKINSON .- You run your own show. Mr. WILFORD .- If you ran your own show, and Helios handed over the reins, where would you go to? But let us turn for a moment to the figures, and find what land has been purchased -what areas, and at what price. We find the following from the return carried to March, 1900 :- Price paid to Seller Land District. to 31st March, 1900. d. £ A. R. P. 12,955 Auckland 118,428 14 0 2 10 .. Wellington'. . 2 57,155 5 10 4,551 0 60,854 150,444 Marlborough 5 3 15 9 3,634 Westland 1 3,230 6 6 1 728,414 Canterbury 127,809 8 1 19 333,317 5 11 Otago 58,515 1 18 Southland 20,365 43,032 15 9 .. 0 9 Grand totals 324,167 1 36 £1,523.926 10 6 The necessity for acquiring land in Hawke's Bay is admitted, and the holding of large areas as in the past by a few individuals is inimical to the interests of the inhabitants of New Zealand and especially to those of the young people who wish to get on the land. Turn to the land acquired under the Act of 1894. and in another table we find in the Hawke's Bay District 45,900 acres purchased, valued at #229,593 ; in Wellington, 11,158 acres, valued at £58,944 ; in Marlborough, 3,600 acres, valued at \$8,250 ; in Canterbury, 9,023 acres, valued at £50,406 ; and in Otago, 1,152 acres, valued at #3,000. Now, taking the lands actually let, the rentals pay interest at 4.8 per cent. ; 8.30. the lands unlet would bring in rentals of £3,671, which, if let, would bring in interest at the rate of 5.1 per cent., and some of the money has been borrowed at under 4 per cent. Then, I turn naturally from the land for settlements to roads and bridges and public expenditure ; and I put before the House, and I put these facts in Hansard for those in the country who take the trouble to read statements in reference to the comparisons of expenditure and works done on roads by the Department of Lands and Survey for the years ending the 31st March. 1900 and 1901, exclusive of work done for the Department of Mines : - Amount Land District. Expenditure. voted. Auckland- £ 1900 151,485 76.283 . . 1901 171,979 92,255 Hawke's Bay- 50,532 1900 33,057 . 83,459 31,336 1901 . . Taranaki- 1900 43,873 28,435 .. 1901 49,718 33.058 Wellington- 118,643 61,339 1900 .. 1901 146,575 72,039 ..

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And so on. Therefore members will see that a way workshops of the colony are concerned, comparison of these tables goes to show that, so there is yet room for improvement. The difference as the amounts voted for public works are different branches of the service are huddled together, the expenditure has been well up together in a way that is inimical to rapid work - the margin. A progressive policy of expenditure; and were the works extended on the expenditure has gone on in regard to public works, and vacant land at Petone, which the Government the total for 1900 of the expenditure is \$281,124, owned and have acquired, that would give while the total for 1910 is £301,660. Honour - the workshops at Petone ample room for work, able members will see by that table that the and they would become first-class workshops, expenditure on roads and bridges under the and remain what. perhaps, they are now at Department of Lands and Survey of this matter to be, the best workshops in the Colony colony for the years ending the 31st March, of New Zealand. Now, we notice that the , 1900 and 1901, compares not only favourably colony has been making its own engines, though but is in advance of the expenditure of former within the past few months they have imported periods. Now, while considering the question some from America. The character of those of expenditure on roads and bridges, there is engines I have discussed with men who know. another matter which I intend to make a point The difference between these so-called Yankee of to-night, and which I intend to keep at until engines and those of English manufacture, I get a satisfactory settlement -- it may take a understand, is this: The Yankee engines are long while-and that is, the expenditure by put together quicker and run more quickly the Government on railways. It is admitted than the English ones; they do not require the that railways are the servants of the city ; same breaking.in. The machinery in those that unless you have got rapid and efficient imported from Home, I understand, is

more efficient communication you 'cannot have commercial or industrial activity. You require may be finer—that is, though it is not so rough as that on the Yankee engines—the Yankee railways to be run at a cheap rate; and you require that no private companies should engines that have been imported readily do the hold railways for their own use ; and you re- work that is required of them. They did good quire that the whole of the railways should work during the Duke of York's visit, and have belong to the colony or State. The reason for done other important work, and for heavy that is simple and plain. If a private company owns a railway they run that railway not only to help the public, but for the purpose of paying dividends for their shareholders. The Government who own railways run them in order to pay working-expenses and to save a kind of sinking fund—in itself only a very small percentage—for wear-and-tear of rolling- graph Department is concerned, as to the stock ; and they do not endeavour to extort from the traveller and from the producer a sum of money not commensurate with the return they give. They do not decide to take from the producer and traveller by way of the railway a sum of money which will enable those who hold large shares in these rail- ways to benefit by the holding of these shares. It therefore stands to reason that, if the State owns a railway, that railway can be run cheaper so far as the public are concerned. The municipalisation of gas and electric-light works stands in exactly the same category. If you have a private company run- ning a gasworks or electric-light works, that private company is running for shareholders, and the consumer "pays the piper" every time, because there is no possibility in many cases of any opposition. The company is generally a huge monopoly. Therefore if you put in the hands of the State the ownership of railways, if you put in the hands of the State the ownership of works such as I have described—tram- ways, and so on—you allow the public to get the benefit of the State's control. Now, while the Government undertakes railway improvements —and I must congratulate the Hon. the Minister acting as feeders to them. Why has the for Railways on his up-to-dateness and pre- paredness as far as the railways are concerned - I consider that, as far as the rolling-stock of the colony is concerned, and as far as the rail- complicated, and, though the workmanship work they are almost invariably used. I do not say that because they compare favourably with the English engines we should do away with our contracts in England and take up contracts in America. I am one who believes that a good deal should be done to alter the state of things, so far as our Postal and Tele- carrying of letters with America. I consider our contracts with the Oceanic Company should be either altered or determined. As to the engines, however, that have been supplied, I think a good deal of the criticism that has been passed upon them has arisen from want of knowledge, and that if those who criticized had waited upon those who understand these matters they would find out that the engines were quite capable of doing very good work. I think the Government should help the country districts by assisting them to light lines of railway, for then the main lines would be largely fed. A few years ago an Act was introduced in the British Parliament giving facilities for the making of these light A Bill something on the same lines lines. should be introduced here and passed by this Legislature, so that the districts that desire to run these light lines for the purpose of close communication, for the purpose of getting over the difficulty of impassable roads, should have an easy course to pursue. There should be power under the authority of statute to con- struct these lines, power other than that already given, so that these light lines of railway might be made connecting with the main lines and Government not straightened the line from Wellington to the Lower Hutt? I believe the Minister for Railways is absolutely in

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favour of the expenditure of the money re- quired, and I may tell members of this House that to-day there is in the department a plan, prepared during the last few months, showing the proposed double line of rail- way from Wellington to the Lower Hutt, showing the straightening of the line between Wellington and the Lower Hutt; and on that plan, which is numbered 10302, there is not only the proposed straightening of the line, but the proposed increase and proposcd enlarge- ment of the workshops at Petone, and the

erection of a new railway-station there. Honourable members will pardon me referring to my particular constituency, but it is the only opportunity one has for putting this matter fairly before honourable members. To my mind, no provincial jealousy should interfere in the grant by the Government of the country of a sum of money such as is required here, and which, it is admitted, would earn interest on the money expended. There is no doubt at all, in the opinion of practical men, this work could be done under £100,000; and I say this to honourable members : that, according to an estimate which the Government have in their possession now, the expense of a double line of rails from Wellington to the Lower Hutt and the straightening of that service is under £90,000. The land is acquired, a quicker service is got, wear-and-tear is lessened, a lot of the rolling - stock is saved, and, as I say, there is a quicker service. Not only is the city benefited, but the suburbs as well. If the Government adopt the scheme which at present is in their possession, and if they adopt the plan which their department has already furnished them with, there is no reason why this work should not be completed in a very short period. The heads of the department will admit, and the Government will admit when challenged, that the expenditure of £90,000 on this work would be repaid. It is no answer to say that the Government have no money, and could not afford to put £90,000 into this work. If this work, as the Government have told me, is reproductive work, and no loss can be made on it, then it is the duty of the Government to find that money and to do that work. It is a public work. It is a main line. It is the only outlet from the capital city of the colony. And what right have the Government to deny to the people of the Suburbs that which they stole in days gone by ? An Hon. MEMBER .- Oh ! Mr. WILFORD .- There is no doubt about it. A Government stole it in days gone by. You look up the plans and the title deeds. Let honourable members go into the question of the first line of road which was laid from Wellington to the lower Hutt, and they will find that the railway at the present time is on that road. A Government took from the people of the Suburbs part of their road to make the railway, and I say it is the bounden duty of this Government to give it back to them. It is their right to do so. I would be wanting in my duty to my constituents, I would be wanting in my duty to Mr. Wilford if I did not advocate on every possible opportunity the advisability of straightening this line. We hear from the Government at different times suggestions about the introduction of the betterment principle. Well, Sir, here is a chance for the introduction of the betterment principle. Whose properties will be benefited by the extension of this line? Why, you will bring Petone and Lower Hutt as near to Wellington as Newtown is if this work is undertaken. I am given to understand that not only can a suitable line be laid for the price I have mentioned, but you can get a quick service of seventeen or eighteen minutes from here to the Lower Hutt, including stoppages, and this can be done with the present class of locomotives if this work be undertaken. Now, if, in the event of such a sum being placed on the estimates, it should not, from provincial jealousy or because some other honourable members have some work in their own districts which they desire to see carried out, be objected to ; all I can say is that, if any honourable member can make out a good case for a sum of money being expended in his district, which will be a public work. and which will be reproductive and will benefit his constituency, it is the duty of myself and of every other member to come to his assistance and get that sum of money placed on the estimates. Whether the Government will do this or not I do not know, but I say it is their duty, and the sooner they do it the better it will be for the whole of this Island. The honourable member for Hawke's Bay must back me up, the honourable member for Pahiataua must back me up, the honourable member for Masterton and the honourable member for Wairarapa must back me up, the honourable members for Wellington City must back me up. I can depend upon them. They must do so. As to the honourable members for the Manawatu district, they may oppose my scheme. But if the Government take over the Manawatu Railway-line-and they are bound to do, as they will be forced to do it eventually for their own sakes, apart from the sake of the people of the district-then you will find that the spirit of provincial jealousy so far as the straightening of the Hutt Railway is concerned will be done away with altogether.

Now, in regard to taking over the Manawatu Rail- way, it is a work which I believe the Premier was right in postponing for a time on account of the cost. I believe that money will be saved to the colony by postponing it until next year even. But I believe it should be done then. What is the position of the people living at Crofton and Khandallah suburbs ? They have to come in by the early morning train and go out by the late one. The service is impossible for any one who wishes to make his home in those suburbs unless he is ready at all times to walk into town. Is it not, therefore, the duty of the Government to look to this? In regard to the railways generally, I congratulate the Hon. the Minister for Railways upon the concessions he has granted, and there is no doubt the conces- sions are not imaginary. They are real. One

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table of concessions quoted there :- Insurance Department to the Accident Insur- ance Department. Is the advance from the Reduction- Live-stock rates 25,000 once a loan repayable in the future? If it is Firewood, chaff, and lime 8,000 not to be repaid it will be a fraud on the policy- Free carriage of lime, butter, eggs, holders in the Government Insurance Office. and fish empties 1,500 If the policyholders of the Government Insur- .. Abolition of extra charge of ance Department are to stand out of their One penny per ton on branch lines 3,000 bonuses for a period in order that the Acci- Agricultural produce 45,000 dent Insurance Department may be properly .. Butter and cheese 5,000 .. carried on, that will be a wrong to those policy- . 1,000 Artificial manures holders. I trust that some fair arrangement .. . Bricks, clay, coal, &c. 3,000 will be made in this matter. I wanted to General reduction of ordinary pas- speak about the co-operative system, but I senger and season-ticket rates 68,000 am afraid I have not time to do so. From Cheap tickets for workers on Auck- my little experience in regard to co-operative land, Wellington, Christchurch, and labourers, and in regard to the officers in that Dunedin suburban lines ... 1,600 department, I may say that I think that some- Concessions to race - horses, polo - thing should be done in regard to the auditing ponies, hunters, and hounds re - of imprest accounts held by the officers in this turning from races, polo meetings, department. The imprest accounts of officers 2,800 and hunts who pay the co-operative labourers are not Carriage of goods from centres to ports audited. It may be said that the imprest itself for shipment, dead-weight instead is an audit. I contend, however, that it is not of measurement 1,100 an audit, and that has been proved in the pro- secutions which have taken place in our Courts. .. £165,000 Total of The accounts have not been audited for years, At the same time the receipts from the rail- and that is the cause of defalcations which have ways are steadily increasing. We have had taken place. The co-operative system is a new extraordinary things happening, which have system, and I would suggest to the Premier, made the receipts probably more in regard to and to the Minister for Public Works, who has passenger traffic than has ever been the case in charge of the department, that some system of any corresponding period ; but there seems to be audit should be introduced, in order that there no doubt that, as far as the railway finance may be no defalcations and no mistakes. is concerned, "all is well." Now let me turn for a moment to the Government Advances to Settlers Office. In a very few words I wish to have only got it since the last prosecution, which was some ten months ago. The honour- applaud and agree with the Government in what they are doing so far as that department able gentleman says it has just been instituted. is concerned. The amounts authorised up to If that is so, I congratulate the Minister upon the 31st March, 1901, amounted to £3,244,900. it, and claim credit for having urged the neces- This sum was divided among 9,931 applicants. sity for it last session. I can tell the House The advances were made on freehold and lease- and the Minister, however, that the co-opera- hold securities, but a large number of applicants tive accounts have not been audited for years declined to accept the amounts offered by the past, and the defalcations which have taken Board. The securities now held are valued place are no doubt due to that fact. There are at £5,859,039, so the advances of £2,679,520 other matters which I should like to speak recently made are well secured. The amount upon, but they would take up too much time, advanced on leasehold is only a little over and

my time-limit has now expired. I thank honourable members for the attention they \$500,000. In the statements of receipts and have paid to what I have said. I regret that expenditure for the year ending the 31st March, 1901, I find the chief ' items are : receipts I have not been able to deal with all the sub- for interest on mortgages, £84,454 10s. 4d., jects which I have made notes upon ; and, while the expenditure for interest on loans although I have spoken as quickly as possible, is £66,077 3s. 9d .; thus, after deducting the I have yet been unable to cover the whole of the ground which I had intended to deal management expenses, £3 933 14s. 5d., a clear with. In conclusion, I will say this: I do not profit remains of £14,513 12s. 2d. I regret that the time-limit prevents me going over believe that the colony is on the brink of finan- half the matter which I have in my notes. I cial disaster, or that ruin is staring us in the would like, however, in the last five minutes face. I do not believe that our finance is un- of my time to ask one question. The Govern- sound. I do not believe that those people who cry " Wolf " will be believed, for they have cried ment propose a vote for the Government Acci- dent Insurance Department-that is, there are " Wolf " so long that not much attention is now paid to their cry. They have cried " Wolf" certain increases put down for officers in the Government Life Insurance Department who ever since the Seddon Administration has held the reins of power, and the public are beginning are to undertake the work of the new Govern- to realise that their cry is not to be believed. I ment Accident Insurance Department. I want to know what are the terms upon which the am quite sure that the figures given by the Government Insurance to the Accident Insur- Mr. HALL-JONES .- We have got it now. Mr. WILFORD .- If you have got it now, you

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and I have no reason to believe that the figures quoted against the Colonial Treasurer are borne out by analysis. I have gone into the figures so quoted in regard to one matter against the Treasurer, and they have proved absolutely unreliable. Therefore I ask honour- able members, I ask the country, and I ask my constituents to believe that the present Government is carrying on a sound progres- sive policy ; that its public works expenditure, though great, is necessary in a young colony ; that the sums of money put down on the esti- mates for public works expenditure are required, and should be spent ; but until they are spent they should not be considered to be " public debt." I would say this to the Minister for Public Works : that he should go on with the work he is doing. Until I came into this House I had no idea of the honourable gentle- man's ability and capacity for work. I believe, myself, there is no Minister, so far as depart- mental work is concerned, who is more tho- roughly up to date and conversant with every detail of the work under his charge ; and I may say, in reference to the few matters which I have brought under his notice with regard to public works, he has always been able to give me the fullest information. Mr. ATKINSON (Wellington City) .- Sir, I congratulate the two speakers who have pre- ceded me upon their addresses. They have been very different in kind, though in one feature, at any rate, there is a remarkable parallelism. The feature they have in common is that both speeches wore obviously briefed. The honourable member for Ashburton speaks admirably when he speaks as nature prompts him. There is no speaker I have more plea- sure in listening to in that case than the honourable gentleman; but he is not accus- tomed to speak from a brief, and he made some- thing of a mess of it to-night. Of course, the gentleman who briefed them both was the Right Hon. the Treasurer, who also assisted both, by applause and laughter and interroga- tion at the proper stages. Nevertheless, the member for Ashburton could not fully under- stand the matter laid before him, nor could he even tell the House of his own knowledge where the extract he was reading was taken from. He could only say that on his brief " Otago Daily Times" was written. That, of course, was rather clumsy, and the cause of it was obvious to members. The member for Wellington Suburbs speaks somewhat better from a brief. Of course, to-night is not by any means his first experiment. One remark the honourable member for Ashburton made had reference to the Farmers' Union. He shares with the gentleman who briefs him a very wholesome terror of the Farmers'

Union. Like him, he condemns it as a political organization. He gave a very extraordinary reason for this view, and that was that, according to some utterances of the promoters of the union, the organization was meant to represent the country interest, and to some extent to hold in check the influence of the labour unions. That is Mr. Wilford gentleman who so dreads the Farmers' Union- that the labour unions are nothing but political machines, or nothing but wheels inside a large political machine that is larger and more powerful than they. I would suggest to the member for Ashburton that, if he is so afraid of the Farmers' Union, while nevertheless he has the interests of the country at heart, it is obviously his duty to join the Producers' Union. That body would then have no less than three members. The membership, I understand, is limited at the present time to the member for Otaki, Mr. Field, and Mr. Moore, the secretary. Mr. Field still has the Premier's sanction to belong to the Farmers' Union also, and the secretary has intimated that he will join the Farmers' Union if they will make him secretary of that institution on full pay ; so that, if the member for Ashburton would join the Producers' Union, it would not have such a good chance of being "left " as it has at present. With regard to the speech made by the member for Wellington Suburbs, I shall not give very much time to it. He was briefed to demolish the member for Nelson City, and he dealt with some of his figures in a way that was certainly not very convincing ; but what appeared to me to be the most essential part of the member for Nelson City's figures -figures that, of course, have been previously adduced from this side of the House-the member for the Suburbs prudently left alone. He left alone the question of the enormous increase in our loans and public works expenditure, the question of the piling-up of our debts, the increased interest-charge year by year, and the very elaborate calculation the member for Nelson City made with regard to the enormous increase in Ministerial salaries and pickings which is taking place from day to day and from year to year. Not a word about that. 9.0. To me the most striking part of the speech of the member for Nelson City was his denunciation of the profligate personal extravagance of Ministers in every matter where the country has to frank the bill. As there were no instructions from the Premier's Office on that point the honourable member for the Suburbs passed it over. Part of his speech which was obviously original was his version of the story of the chariot of the sun, and the political application he gave to it. I do not suppose the sun ever had so much . midnight oil spent upon him as in the preparation of that elaborate figure. We all know that primitive man was almost universally a sun-worshipper; but as the world gets along in civilisation man grows out of that kind of worship. The honourable member for the Suburbs is still very young, and the sun is still the cause and parent of all things to him ; his political luminary plays the same part in his firmament and his theological system as the sun played in the theory of our primitive forefathers. Of course, he will grow out of it in time. May I add a word of caution with regard to his exposition of the parable ? It will certainly read better than it sounded ; and I would urge upon the honourable member for the Suburbs that when he next makes a

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will be less novel, but it will be more impressive, if he first learns how to pronounce the in the amber, and I would suggest that they names. It will be no disparagement of the speeches of the two speakers that have preceded me when I say that they are not the chief contributors to this debate, and it is no disparagement to all the speakers on the Government side when I say that the most important contribution to this debate has not been made in the House, but outside of it. The speech I refer to was made at a hole-and-corner meeting in this city on Monday night last by the Premier. The nature and circumstances of that address are surely without precedent in this or any other country. The Premier had been absent from the House for a week. On his return to Wellington he underseems to me that this marvellous Budget is not took, out of the House, to reply to the criticism, not on this side of the House, but to that of his own followers. If that was not a gross contempt for constitutional procedure, and a gross contempt of this House, I really do not know what it was. The

so-called Eighty Club, which held the meeting, is no political association ; it does no political work and has no political propaganda ; it is simply a little coterie, run by hotelkeepers and hotel-brokers for their own purposes. It would have jubilated appropriately enough over the elevation to the of that officer of the Bengal Lancers in the Upper House of the representative of a " detest- able traffic," who has been recently placed Indian corps which recently visited this country. there by the Government ; but there was no He was very much astonished to learn that this propriety in its jubilation over the "distin- guished and eminent services " of the Minister of Education. However, the Premier was there and made a speech, the most notable to give " the same old jibber-jabber " all around the country. Of course, the big man is paid for part of which was his reference to the criti- cism of certain members on his own side of the it, but he is paid at something better than House, and he expressed his surprise as to how a penny a line; and it is a pity that he cannot they ever got there. He wondered how on do something better than " the same old jibber- earth they got there, though in less parlia- jabber " in what should be a formal State paper. Now, the most notable speech in the mentary language than I am using. He likened them to the fly in the amber. The debate is, according to the Wellington cor- honourable member for Palmerston corrected respondent of the Auckland Star, the speech him by stating that the poet he was perhaps of Mr. Napier, the senior member for Auckland unconsciously quoting was not referring to City. All gentlemen may not have had the oppor- flies, but to other forms of life,- tunity of reading what that correspondent had to say about it, so I will read the paragraph. Pretty in amber to observe the forms Of hairs, or straws, or dirt, or grubs, or worms. This is from the Auckland Star of the 26th Those are the items. Now, the gentlemen August :- whom the Premier was so indignant about he certainly would not complain of as "hairs, or bies is Mr. Napier's speech on Friday night. straws." Straws go with the current or the All agree that the first portion of the speech, breeze, and have no original powers of motion ; being a reply to the leader of the Opposition, was he has nothing but praise for the straws who a splendid specimen of parliamentary eloquence. go exactly as he blows. He would hardly Mr. Lawry, M.H.R. for Parnell, says the first reckon them as dirt, and yet I can see a cer- half-hour of the speech was the best piece of tain propriety, even from my point of view, if political invective he has ever heard since he he had made the comparison, because the most entered the House. Mr. Napier was in fine philosophical definition of "dirt " with which form, having recovered from an attack of bron- I am acquainted is that " dirt is matter in the chitis. His voice was clear and resonant, and wrong place." And I am firmly convinced that he threw an amount of fire into his delivery that gentlemen of intelligence, independence, and surprised the southern members." backbone are very much out of place just now in the party that the Right Hon. the Premier which follows is no laughing matter-at any has the honour to lead. Then, are they " grubs, rate for this side of the House. It runs: "The Opposition visibly winced." The extent to or worms "? Probably they are in some cases which we have winced and wilted under the grubs with some ambitions for development VOL. CXVIII .- 13. time singing, " I'd be a butterfly," but have not got there yet. At any rate, they are not flies are flies in the Premier's ointment, and that is why he makes such a fuss about them. Nor are they dead flies in the ointment. The Premier's trouble is that they are so very honourable apothecary joy of them. Now, my junior colleague, Mr. Fisher, has dealt very well with the literary side of the Budget, and has asked why Her Highness the Duchess of Corn- wall and York should be selected for praise as "amiable," and why the Minister for Railways alone of all the Ministers should be described as " worthy," and he did this so admirably that I shall not attempt to imitate him. But it only the longest paper of its kind in our history, but also the most undignified. It starts off in an exultation over the "penny-a-liners," whose chief error was taking the Premier at his word. And it spreads this exultation and its general remarks over the country's affairs for twenty-six pages in the most approved penny-a-liner style possible to be imagined. Why, even my junior colleague wished the Premier had had some sub-editor of the old school to prune his periods. and strike out his epithets. It reminds one big gentleman who had been following them all over the colony

was the Premier. He thought he was some official paid by the Government "The current topic of conversation in the lobby- Honourable members laugh, but the sentence

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perhaps accounts for our backwardness in coming forward in this debate. I understand that the value of the praise of the honourable member for Parnell is somewhat discounted by the fact that he was not here to listen to the speech ; nor can I believe that any one who did hear the speech can have been so impressed by it as to write as the Star's parliamentary correspondent has done except the honourable member for Auckland City himself. There are a number of fine sentiments in the Statement, as there commonly are in any production of the Premier's. There are a number of common-places about the need for "prudence and economy," for "great care and economy," and a number of other copybook platitudes, delivered with an approach to religious fervour that has obviously carried away some members on the Premier's side. I refer more especially to Mr. Flatman, the member for Geraldine, upon whom the Statement had such an effect that he did not see how, "as a Christian country," we could fail to support the policy of the Premier. The reference to the religious aspect of the question at once sent me to the book which contains an elaborate account of his latest missionary journey. It is the official record of "The Right Hon. R. J. Seddon's Visit to Tonga, Fiji, Savage Island, and the Cook Islands." Let me cite, to illustrate my point, these beautiful words from an address which he delivered at the Island of Aitutaki, recorded on page 313 :- "I have been making inquiries, and am glad to find that there is very little crime on your island-no serious crime, at any rate. I allude to crime as against the laws of man ; but can the same be said in respect to breakers of the laws of our Creator? As I shall, I hope, from time to time be furnished by Colonel Gudgeon with information as to your earthly well-being, I also hope I shall be furnished by the Reverend Mr. Lawrence with information as to your moral and general behaviour and spiritual welfare. I impress upon you to be good. Those who are good and those who obey the laws of our Creator prosper ; their health is good, and comforts come to them. If, on the other hand, you disobey these laws, you are punished ; suffering and anguish overtake you." Honourable members should not laugh ; it is a very high standard that the Premier sets. The honourable member for Hawke's Bay was unkind enough to suggest to the House an inscription to be put at the foot of a statue at some distant date to be erected to the right honourable gentleman ; he proposed, "He bribed the people." Taking a hint from the beautiful passage I have just read, I would suggest, as a better inscription, "He impressed upon the people to be good." Now, coming to the matter of the Budget, the member for Patea claimed that there was nothing at all in it for the farmers. He has surely overlooked the statement that has been referred to by the member for Ashburton, under the heading of "Crown Tenants' Rebate of Rents," and it discounts considerably the attack which the last honourable Mr. Atkinson when one finds that a very cardinal part of its policy has already been adopted in the right honourable gentleman's Budget. Let me read, first of all, from the Farmers' Union platform their second plank :- "That after the payment of the first deposit tenants on Crown lands in back country, and where roads are unformed, be allowed three years occupation free." That is the declaration of this Tory organization which it is the duty of all good Liberals to endeavour to explode. Let us see how the right honourable gentleman does it in his Budget, on page xix. :- "At this juncture it is well to speak plainly, for from facts which have come within my own 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." He has adopted this plank from the Farmers' Union in its entirety, and somewhat

enlarged it, and no doubt the Farmers' Union will not at all object to the enlargement. I made some reference to the occasion when the Right Hon. the Premier spoke on Monday night. They were not altogether a happy family at that gathering, though it was confined, of course, to true Liberals ; but a number of them, speaking to the toast of "The Industries of the Colony "- a number of employers-made a pretty severe attack upon the present position in this colony in the industrial world. There was no discussion upon the labour Bills that have come before Parliament this session, and I do not propose to discuss them now, beyond stating that they seem to be framed rather by some visionary from "Looking Backward " than by a gentleman who lives and works and thinks in a practical world, and is looking sideways as well as backwards and forwards. But, with regard to what took place at the Eighty Club, two or three employers spoke to a toast and made an attack upon the chronic industrial strife in which this colony has been plunged for some while, and it was left to a gentleman who makes a profit out of this strife, at the rate of a guinea a day, to stand up for the present system. Now, it seems to me that the Premier spoke wisely when he urged labour unions to moderate the use to which they are putting these Conciliation Boards; and it also seems to me that the Legislature has a good deal of responsibility in the matter : not that I would suggest any serious retrogression upon our labour legislation, but there is one important

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point in regard to which I should like to see money saved. There are four points to be specially the machinery improved. If the gentlemen who sit on the Conciliation Boards got as much for composing industrial struggles as for fomenting them, I venture to say there would be more conciliation and less irritation. It is surely a monstrous thing to put a Judge in the position of having the amount of his salary dependent on the length to which he protracts a lawsuit. That is surely lowering him to the level of a common police-court lawyer, and I think we can hardly take him lower. Surely that is a very undesirable thing, and that is a matter over which this Legislature has direct control, and in regard to which it can and, I think, should legislate without violating any principle whatsoever of these labour measures. But there was another measure passed last session, and not a labour measure-that far-reaching and disastrous Public Revenues Act-by which we have actually brought the President of the Arbitration Court, a Supreme Court Judge also, into a very false position, because he also is to a certain extent now paid by results. If honourable members will look at section 112 of the Industrial Conciliation Act of last session, subsections (8) and (9), they will see that the Governor is empowered to make regulations prescribing what travelling-expenses shall be payable to the members of the Arbitration Court, including the President, and also what fees shall be paid to the members of the Arbitration Court, excepting the President. The President's fees are excepted from the operation of the regulations by the subsection ; but, notwithstanding this, in or about March last regulations were gazetted fixing the fees and travelling-allowances to be paid to all the members of the Court, including the President. This shows what a far-reaching power this Public Revenues Act gives to enable the Ministry of the day to override the express enactments of a statute. Attention was first drawn to this point, as far as I know, by the late member for Christchurch City (Mr. Lewis), and I should like to cite to the House a paragraph in his letter to the Christchurch Press of the 30th March, in which he puts the case very concisely and admirably, as it seems to me. It is entitled "In the pay of the Premier," and shows how, under the Public Revenues Act, everybody, from the Supreme Court Judge, and even the Governor, downwards, is " in the pay of the Premier." He says,- "Item: The House by Act increased the Governor's salary by £2,000 a year. On the supplementary estimates appeared a vote for \$1,000 on account of certain work at Government House, for which under the Act the Governor himself should pay. Item: The salary of the Speaker by Act is £600 a year. On the estimates there was an additional \$200. Item : The Chairman of Committees likewise receives \$200 by vote. Item : Members of Parliament vote themselves \$40 a head. Item : A Judge,

whose salary is \$1,500 a year by Act, is to get two guineas a day additional, although a second Act specifically excludes him from the receipt of any such noted about these votes : (1) They can only appear upon the estimates by the will of the Premier ; (2) they can only be carried by a majority of the House; (3) there is no guarantee that the recipients will get a copper next year ; (4) they are all against the law. In previous years the Auditor-General would have rejected the vouchers. But by last session's Public Revenues Act any sum voted by the House must be paid, though it should contravene every law upon the statute-book. Add to these items the fact that the Premier recently handed to a Returning Officer #234, to which the Supreme Court had declared he was not entitled; and where do we find ourselves ? Why, face to face with the fact that Governor, Speaker, Chairman of Committees, M.H.R.s, and Returning Officer all received last year sums of money in excess of their legal salary, while it depends solely upon the Premier's goodwill whether they or the Judge get any similar amounts next year.' Then follows a little further down the comment, "Again, we lead the world." Yes, we do lead the world in that respect ; but I trust, for the credit of the colony, we shall cease to lead it in that respect before very long. I have no hesitation in saying that a Judge who was placed in a similar position in respect of a private litigant to that which the President of the Arbitration Court occupied towards the Government would be disqualified from adjudicating upon any case that came before him concerning that person. Take, for example, a most important case the Arbitration Court had to decide a few weeks ago -perhaps the most important case it ever had to decide-the squabble between two branches of the Seamen's Union as to whether the Dunedin Union can register a branch here. That is simply a party squabble originating from the Wellington by-election of 1898, when the Wellington Union did not think it should make itself a part of the political machine in the manner that the honourable member for Ashburton and his instructor apparently regard as the normal thing for unions to do. The Wellington Union stuck out against that, and they have been at loggerheads ever since with the Dunedin Union, who have remained out - and - out partisans of the present Government. The question between the two unions which came before the Arbitration Court was, therefore, practically a litigation to which the Government was a party ; and the President of the Court was a Supreme Court Judge, whose pay-or, rather, part of whose pay-is dependent on a vote on the estimates that we shall be asked to pass this session, and cannot even be put except by favour of the Government. Now, the Supreme Court of this colony has hitherto been above suspicion, and I will undertake to say it stands so high that it still remains above suspicion, notwithstanding the false position in which one of the Judges has been put; but I say, also, it cannot long remain above suspicion if that kind of legislation and administration be allowed to continue. I

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do not propose, Sir, to deal in any detail with figures ; and the only figures with which I shall trouble the House at all I have put in a small table, to illustrate the nature and position of the industries upon which the prosperity of the colony is based at the present time. The fallacy, it seems to me, that runs through the speeches in support of the Budget in this debate is the fallacy of the omnipotence of the Legislature and the omnipotence of the Government, as though everything that has happened in the colony during the last ten years, and the various increases which the Treasurer has been able to point to from 1891 to 1901 can be directly attributed to the legislation or the administration for which the Government is responsible. Well, Sir, "it takes a great deal to kill a man," as a doctor of the old school used to say when he got a patient on the operating-table, and the students were turning sick because he was unnecessarily prolonging some experiment. It takes a great deal to kill a man, and it takes a deal more to kill a fertile and thriving colony; and it does not follow that any prosperity we have enjoyed was due to the Government, or that the Government has been a pure Government because the country enjoys prosperity. I will undertake to say that our progress commercially during the last ten years is not to be compared with the progress made by the City of New York ; and I do not think the right honourable

gentleman's worst enemy would say that he has yet succeeded in establishing a system of government in this colony which is as corrupt as the Tammany system in the City of New York. There has been a great deal of commercial prosperity during these ten years in New York, notwithstanding that there is a great deal of corruption there ; and yet you urge it upon us as a good argument for believing that the Government is neither corrupt nor incompetent in its administration, and that its legislation has done the country no harm, because we have enjoyed during the last ten years considerable commercial prosperity and progress, though, as I have said, it is less than that enjoyed by the much more corruptly governed City of New York. Now, our commercial progress during the last ten years, and the industries to which that progress is due, are sufficiently indicated by the statistics of the exports of articles produced or manufactured in the colony. The totals are as follows :- # Total Exports : Colonial Produce and Manufacture. 1890 9,428,761 .. 1900 .. 13,055,249 .. Increase 3,626,488=38 per cent. . . I have here a table showing in detail our chief exports for the same two years. It includes every article, totalling over \$200,000, upon which there has been an increase in the interval :- Mr. Atkinson Comparative Table of Chief Exports, 1890-1900. 1890. 1900. Increase. Wool .. 4,150,599 4,749,196 598,597 Frozen meat 1,087,617 2,123,881 1,036,264 Gold 688,242 751,360 1,439,602 Butter and cheese 207,687 762,044 969,731 622,293 Kauri-gum 378,563 243,730 Oats 231,397 320,873 552,270 .. Tallow 206,002 162,471 368,473 156,601 Sheepskins 122,790 279,391 7,092,484 11,104,837 4,012,353 The increase is just over four millions, or 56 per cent. This increase is greater than the increase of the total exports by #385,865; in other words, the balance of our exports have decreased by that amount. The articles in the table, which constituted 76 per cent. of our exports in 1890, amount in 1900 to 82 per cent. Now, I ask honourable gentlemen to consider the items, and I ask in how many cases. or in what single case, can the Government justly claim any responsibility for an increase in the exports of those articles ? It is the run-holder-the "social pest " whom, by legislation and rhetoric, the Government have so constantly assailed-who is responsible for the greatest of them. The natural resources, the scientific invention, and the industry of our people have been the chief factors in bringing about an increase in our exports, and not Government control. Take the vagaries of oats and wheat during those ten years. Here are the exports for four of the years :- 1900. 1899. 1898. 1890\.

Wheat	231,397	87,924	286,102
Oats	552,270	..	Wheat
672,247	2,463	338,476	351,494

.. Oats and wheat, which totalled over \$900,000 in 1890, had fallen in 1898, after seven years of the present Administration, to £90,000. In the last two years there has been a great revival. especially in oats. Is there any friend or opponent of the Government, looking at those particular items, who can frankly say that the Government is either entitled to praise or blame for the increase or the decrease ? Has the Government put on more Inspectors in regard to the production of those articles? Have they given the industry concerned the benefit of the Conciliation Board ? Or has their annexation of the Cook Islands given the farmers such a splendid market ? Of course, in all those cases the answer is " No." The reason for the recent increase is the market we have had in South Africa for our produce. It is, of course, the world's market which regulates the prices that we get, and not any local ring-fence. Honourable members certainly will not maintain the absurdity of Government omnipotence or (io- vernment responsibility with regard to the particular articles I have mentioned ; and I think it must be admitted, if we look through the other articles mentioned in my table, that the same reasoning applies. Sir, I am sorry the honourable member for the Wellington Sub- urbs has gone out, because his curious theory

and especially the personal omnipotence of the head of the Government, is simply reverting to the primitive days of our race, with its benighted belief in the powers of the King and the " medicine man." There are certainly some tribes still living in such darkness, but it is an extraordinary thing to me to hear the advocates of Liberalism championing a theory which is nothing but a reversion to a very low state of intelligence. I have here a very competent authority on the subject, who, to take one example from his

large store, says :- "The Banjars in West Africa ascribe to their king the power of causing rain or fine weather. So long as the weather is fine, they load him with presents of grain and cattle ; but if long drought or rain threatens to spoil the crops, they insult and beat him till the weather changes." In Mexico and elsewhere they even treated their king in such a case as our forefathers treated King Charles the First-they took off his head. Coming nearer home, take one of our new possessions, which is mentioned in the Budget under the head of " Greater New Zea- land," the Island of Niue or Savage Island, which the right honourable gentleman visited on his missionary tour. He then delivered an address which was of sufficient importance to be set out in Appendix C to this book of his, which I have already cited. A few words are worth quoting to illustrate the tenderness of his heart,- "Now, this island, I have said, is seldom visited by Europeans. In the first place, steamers never come here. They go to the other islands, but this island is passed by. That should be changed ; and not only so, but the name appears on our map as Savage Island, or Niue. It should be changed to 'The Island of Love.' When I return home I will recommend that a change be made." The propriety of the right honourable gentleman delivering an address in that place will appear to honourable members after listening to a passage in Mr. Turner's well-known book on Samoa, page 304, words written with regard to this very island. You will see that the superstitions of those islanders are, or were, practically exactly the same as some of the superstitions of some members of this Parliament to whom I have referred. Mr. Turner says :- " When I was there in 1845 they had no king. Of old they had kings, but as they were the high priests as well, and were supposed to cause the food to grow, the people got angry with them in times of scarcity, and killed them ; and as one after another was killed the end of it was that no one wished to be king." The monarchy was therefore extinct in that island-not yet "the Island of Love"-in Mr. Turner's time ; but what an opening it now offers for the Right Hon. the Premier. Note the combination of the kingship with the priesthood, which would exactly suit him, and remember that he is already the uncrowned king of that island, just as he is of the rest of the cannibal islands which we have annexed. And position-whether the name of that island is changed or not, as the right honourable gentleman so benevolently suggests-if he would formally revive the extinct monarchy and go to make the sun shine and the crops grow on Savage Island. And if they did not grow ? Why, then he would fall a victim to precisely the same delusion that has kept him in power for so many years in this colony. But, speaking quite seriously, what is the difference between the superstition of those benighted islanders and that of members of this House who get up, one after the other, and quote from blue-books, and say that the present is the best of possible Governments because the sun still shines and our crops are still good ? Now, I will come to another part of the question. There was one remark made at Monday's banquet with which I am in thorough accord, and that is that, instead of undertaking any new experiments, our time would be much better spent in revising and recasting some of the legislation which we have already passed. Take, for instance, the Workers' Compensation for Accident Act of last session. It is now working out in all sorts of unforeseen directions. I would like to see that Act properly considered by this House. An Hon. MEMBER .-- There has not been a single case heard under that Act. Mr. ATKINSON .- It has not been three months in force yet. An Hon. MEMBER .- Why should we revise it, then ? Mr. ATKINSON .- The law-courts are not the only places where you may learn the working-out of social experiments. There are a great many other laboratories besides the law-courts in which we may see the working of these experiments. I cannot treat this matter at length, but let me point out two unforeseen directions in which the Act has worked. That Act was directly aimed to assist the workman, and yet its effect has been to help the hated middleman. For instance, if I employ a workman to effect some repairs in my house, and he breaks his neck, I am liable to the amount of £400 to his representatives; but if my bargain has been with his employer, then, even assuming that his relatives select me as their mark, I have an indemnity from his employers to the full extent of my liability, so that if I employ a contractor whom I know to be a substantial man I am safe. That is an unforeseen direction in

which that Act tells against the in- dependent workman who is his own employer. Another matter for which the labour repre- sentatives of this House are responsible is in regard to mortgages : a claim for compensation under the Act is made a first charge upon the land, even taking precedence of a previously registered mortgage. In my opinion, the most disastrous thing we put on the statute book last session, except what we did for the per- sonal advantage of ourselves and Ministers, was this particular provision. One labour member has complained recently of the case of a man who was going to get some money at

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premium on insuring the mortgagee against his risks under the Act, it practically made the interest 5 per cent. That was the case of a working-man who had a small property. It is an instance like the indirect operation of a tax : the poor man had to pay the cost of the ma- chinery established for the assistance of the poor. Then, again, honourable members will see that the holders of the small properties, or small mortgages, are imperilled, while the big men are comparatively safe. If a property is worth £6,000, and the mortgage is £4,000, there is a margin of £2,000, in comparison with which the maximum claim of \$400 under the Act is a small matter either to the mortgagee or the owner. If, however, the mortgage were £200 on a £300 property, where would either the mortgagee or the owner be in the face of such a claim? Surely that is class legis- lation which is hitting the poor much harder than the rich, and, in my opinion, its want of principle, and the uncertainty it makes in regard to investments, do the humbler classes more harm than good. Another Bill I should like to see reconsidered is the Imprison- ment for Debt Limitation Act of last session, which was passed for the protection, or, at any rate, which has the effect of protecting the fraudulent debtor. Its proper title would be "The Fraudulent Debtors' Protection Act." It was founded on fraud, it was passed by fraud -I have no hesitation in saying that-and it has resulted in fraud. It was aimed originally at the extinguishing of the debt-collecting agencies, but the malice of the promoters over-reached itself, and, by putting the private creditors in the same position as the debt collecting agencies, they have imposed the same disability on both, with the result that the debt-collecting agencies are able to get precisely the same If the proportion of the business as before. Bill had gone through in its original form, so that it altogether hampered the debt-collecting agencies but left the private creditors certain advantages, it is clear that that object of the measure would have been secured. Now, let me hurry through a few examples of the actual working of the Act in the period of less than twelve months in which it has been in operation. A professional man gets \$1,000 a year ; his pro- perty is in his wife's name; he owes a trades- man \$40, says that bankruptcy will not injure him, and defies any law in New Zealand to get that \$40 from him. A clerk in the Civil Service borrows \$80 to send his daughter Home ; he admits he had no prospect of repay- ing the money when he borrowed it, but says there is no law in New Zealand to compel him to repay it. A clerk in the Civil Service was bankrupt in 1899, and has since been pro- moted; since then he has run up a debt of \$20 for drapery, et cetera; he says there is no law to compel him to pay, and that another bankruptcy will not hurt his position in the Civil Service. The Government which passed an Act giving security to men of that stamp is acting consistently when it retains them in their billets. My last case has been Mr. Atkinson bers who know the strong line that the Magis- trate here has taken against the judgment summons will appreciate the value of the opinion. The Magistrate, Mr. Haselden, has made a dead-set against judgment summonses for some years, and has referred to the Act as strengthening his hands in this respect. Now, the Evening Post of the 13th June last reported the following decision of Mr. Haselden with regard to the Act :- "The far-reaching effect of section 3 of the ' Imprisonment for Debt Limitation Act, 1900,' was illustrated in the Magistrate's Court this morning, when an order was sought against an express-man for a judgment of \$3 6s. It was stated that since the date of the judgment de- fendant had given his wife a bill of sale over his horses and expresses, and he was now with- out property. Mr. Haselden, S.M., said that this was the first case he had heard under the statute of 1900, and he could not see his way to make an order, though he would have done so

under the old statute. Under section 3- except in cases of default in connection with penalties, trust moneys, or moneys obtained by fraud - no order of committal to prison can be made, except 'where it is proved, or by the debtor admitted, that he has money of his own which he has refused to pay to the judgment creditor.' It seems that in the absence of present possession of property, the debtor escapes scot free." . That is the opinion of one of the strongest opponents of the judgment-summons system in the colony, and that is a case in which even he would have made an order under the old Act. I intended to quote a passage from last year's Hansard, where, at the conclusion of the debate on the motion to agree to the proposed compromise with the Legislative Council, all the legal gentlemen in the House who spoke having insisted that the Bill in the form in which it was being put through was practically repealing the operative portion of the original Act, the Premier insisted that it did not, and that he did not desire the repeal of that section. I therefore suggested the insertion of a proviso to the effect that nothing in the Act should affect the operation of section 8 of the principal Act. The Premier refused to agree, on the plea that to do so would be to confess that he was wrong in his contention. Not a single Magistrate has held that he was right in his contention ; and within a month after the passing of the Act every Magistrate and lawyer knew that section 8 of the old Act had been in effect repealed, though it was only on the assurance of the Premier that that was not the effect of the Bill in its then form that the House accepted it. I should like now to say a few words on the Public Works Act Amendment Act of last session. Section 20 compels any owner of land on subdividing his land, to dedicate, and, if in a borough or within three miles of one, to form and metal a road 66 ft. wide. That section, which we passed without much consideration. is causing something like a dead-lock in the matter of land transactions. Where it applies.

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and the Registrars have not winked at its evasion, it is most vexatious in its operation. It is absurd to say that a road or street should be not less than 66 ft. in width, say, on the Kaiwarra or Kilbirnie hills, and that it must be formed and metalled as well as dedicated. I say it is nothing short of robbery to insist on roads of that kind. We do not want 66 ft. metalled roads on the top of hills like those above Kaiwarra. A road which is a chain wide and 10 chains long occupies an acre of land ; if the community wants land at that rate from private owners, it should pay for it. The present procedure amounts to confiscation. As I said before, "Everything in the garden is lovely "-especially in the Premier's. The garden of the colony has been enlarged by the annexation of the Cook Islands; and the Premier's garden has been, or is about to be, enlarged by another annexation. Section 26 of the Public Works Amendment Act of last session was not originally in the Bill, nor was it in a supplementary Order Paper containing the amendments to be proposed in Committee by the Minister in charge of the Bill ; but it was put in, without previous notice, between two and three in the morning, just a clear week before the end of the session. It reads as follows :- " The definition of ' public works,' contained in section two of ' The Public Works Act, 1894,' shall be deemed to include Ministerial residences and other public buildings, and the Minister may acquire any land adjoining any such Ministerial residence or other public building for the purpose of securing the same from fire or any other purpose." Now the "other purpose " for which the Act was passed, and for which it is being worked, is for enlarging the garden of the Minister, who resents that his neighbours should have a bigger garden than his own. This section of the Public Works Act is well known in Wellington as " the Ahab clause," but honourable members from other parts of the colony may not be so familiar with it. I have got a summary of the facts concerning its operation, or proposed operation, which is contained in a letter written to the New Zealand Times of 22nd May last by Mr. Martin Chapman, one of the three owners concerned. It was written as a comment on some editorial article that had previously appeared in the same paper :- " Speaking for myself, I say that no inquiry whatever was directed to me as to my willingness to sell my land. The very first intimation I received that anything was in the wind was the intimation from a Government agent, who told me the Government had resolved to take a piece of my

land under the Public Works Act. He was even able to indicate the exact piece. No question of willingness or unwillingness to sell came in. I was informed the Government would take the land. Further, no request or suggestion has ever been made to me that I should sell, or that I should name a price ; and, moreover, I have never named any price, and am not willing to do so. I am averse to selling at all ; and it is quite incorrect to say that I ever showed myself otherwise. I may add that I have for many years desired to acquire this piece of land, as I have always thought it a most desirable addition to my garden. My neighbour at last consented to sell it to me ; and is it likely I should be ' not averse ' to parting with it within a few months of my acquiring it. You further say- no doubt still sitting on your tripod- negotiations are still proceeding. Negotiations with me have never begun ; no offer or request has ever been addressed to me. Again, ' the Public Works Act has never been invoked.' As to this, a Government surveyor entered on my land, surveyed it, and made a plan. He informed me he was to survey the land, which was to be taken. He stuck pegs in my ground, and cut broad arrows on my fence. Was not this invoking the Public Works Act ? If not, then that surveyor committed a trespass. The above are the assertions I take exception to. The next is more pleasant. ' Our information is that there is no intention of acquiring the land compulsorily.' This is good news, if true. If your Muse is correct in this I will cheerfully burn a grain of incense at her altar (or would a libation be more acceptable ?). I should like to be assured that the proposed, or, let me say, dreaded, ' taking' is not to be accomplished, as I should like to complete my contemplated improvements of my part of the 'kail-yard.' No such assurance has, however, yet been given me. I do not profess to know what has taken place between my neighbours and the Government ; but since one has always refused to sell his land to me, and the other appeared to me bursting with indignation at the approaching loss of his property, it surprises me very much to hear that they are ' not averse ' to selling. The power to take land for public works is a beneficent power, so long as it is properly exercised. I am willing to concede that the power to take land for close settlement is also beneficent, with the same qualification. But how will the country be benefited by my little piece of land being torn from me against my will, to swell the dimensions of the garden of a Minister of the Crown ? And if my land is to be taken, whose shall be safe ?" No one is safe in the City of Wellington. Thorndon might be at once annexed by such a Proclamation under the Public Works Act, and it would settle the affairs of this rebellious city if they annexed the whole city by instalments shortly afterwards. There is no protection. The proceedings have been stayed, I believe, owing to the publication of the facts. Whether the land is to be actually annexed under the Public Works Act or not is immaterial to my argument now. We have given the Ministry power, and there is no check except their own sweet will. The House of Representatives never would have given the Ministry that power had it known how far-reaching was the effect of the clause. I am informed by a gentleman more learned than myself in Hebrew lore that there is an Apocryphal scripture, in which it is recorded that "as Ahab walked in the garden which was aforetime the vineyard of Naboth, he heard a

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voice saying, 'Thou shalt not steal.' And the king answered and said, 'I did not steal it; I only annexed it under the Public Works Act.'" There was a poet in the last century, or rather the century before that-the eighteenth century-who wrote some satirical verses on " The Modern Patriot," - But oh! for him my fancy culls The choicest flowers she bears, Who constitutionally pulls Your house about your ears. But had he lived now he would surely have written the stanza thus :- But oh ! for him my fancy makes The choicest garlands grown, Who constitutionally takes Your garden for his own. I had proposed Sir, had time permitted, to deal with the financial aspect of the old-age pensions question. The Premier's estimate has been most ludicrously falsified in the working out of the scheme. If his estimate was correct at the time he made it, the cause may be in accordance with the suggestion which he makes in the Budget-that the provisions of the Act may be violated enormously. There is no machinery at the present time really to test

the bona fides of any claim that is submitted, and therefore it may be this enormous and alarming increase is largely due to undeserving and unqualified applicants successfully breaking through the flimsy machinery we have provided to safeguard the system. It is impossible for me to deal with this subject at length. I had proposed to show how the military pension system in America has become the scandal it has at present, because the proceedings in applying for a pension are ex parte; neither the taxpayer nor the Government is represented, and no private objector has a locus standi in the Court; and that, in that regard, the American system is precisely in the same position as ours. An amending Act to improve the machinery, as was urged on the Government by several of us last session, is imperatively required; and the references in the Budget to "impositions" and "evasions" seem to indicate that under financial stress the Premier may be induced to reconsider the advice which he then brushed aside so contemptuously. Mr. DEPUTY-SPEAKER. - Time is up. Mr. BARCLAY (Dunedin City). - It 10.30. is a question of considerable doubt in my mind whether I should take any notice of or make any remarks on the speech of the last speaker. The reason why it is a matter of doubt is that we are confined to one hour while speaking in this very important debate, and the speech just delivered by the honourable member for Wellington City (Mr. Atkinson) contained such an intolerable deal of sack to a farthing's worth of bread that it is a question whether I shall devote any of my time to that speech or go on to the much more valuable matter I have to give to the House myself. The honourable gentleman in the course of his remarks alluded to a speech of the Hon. the Premier, in which that gentleman likened some of the members of the House to Mr. Atkinson flies in amber. Perhaps in some cases it was not an inappropriate criticism, and perhaps it would be well if the honourable member were to reflect on the true inwardness of the remark. Has it ever occurred to him that possibly this House is not exactly the place in which his peculiar talents are most likely to find full scope? Here, for instance, we have listened to a speech in which he is limited to only an hour, on one of the most important occasions of the whole session - the speech on the Financial Statement, in which millions are involved - and the honourable gentleman treats us to a dissertation on flies and grubs, and all kinds of unimportant details about some squabble about a garden, of no earthly consequence or importance whatever. Sir, the fate of this country or its future destiny will not be materially affected by the speech which we have just heard from that honourable gentleman. Now, he mentioned, for instance, that the best part of the speech of the honourable member for Nelson City was that in which he dealt with the personal expenses of Ministers. I confess I am getting a little tired of hearing about these personal expenses of Ministers. I am getting a little tired of hearing about the corruption which one or two honourable members opposite have referred to. I regretted exceedingly to hear the honourable member for Hawke's Bay, at the conclusion of his speech, the most important part of the speech, refer to the bribery which he said was rife on the part of the Government. Now, Sir, these accusations have been threshed out for some years past. They were all before this country at the last elections, and every wild thing that could be said about the Government, and everything that could be said about the party, was put forward then and the whole question was gone into thoroughly before the electors of the colony, and what was their answer? Their answer was that they did not believe a word of it - that there was not a word of it true. I ask, Is it at all a part of the duty of members of an Opposition in a Legislature such as this to revive dead and gone and utterly exploded old charges of this kind now, without a single tittle of evidence or a single fact in support of them? I would suggest to the honourable member for Wellington City (Mr. Atkinson) that his peculiar talents are perhaps better fitted for another sphere. He treated us to a number of verbal plays and specimens of humour of a kind evidently the result of very painful and laborious preparation. Well, they are not so much appreciated here, perhaps, as they would be, say, under the management of Mr. Dix, or Mr. Fuller, or some of these gentlemen who may be in need of a painstaking and conscientious corner-man who would work very hard in getting up his jokes. I suggest that is a sphere in which the honourable gentleman's talents would

be better remunerated and more appreciated than in this House. But, Sir, it does seem a shame that an hour should be practically wasted in this House by a speech of the kind the honourable gentleman made. I think he

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made only one solitary reference of any consequence, and that not great, to the Budget in his speech, and that was a reference to the rebate of rent to Crown tenants. There was one most extraordinary statement, however, that he made. He said that the squabble between the Wellington and Dunedin Seamen's Unions \- which came before the Arbitration Court was \- practically litigation to which the Government was a party. Now, that is a specimen of the kind of thing said by honourable gentlemen who are not too scrupulous and not too delicate as to the accuracy, truth, or correctness of what they say. Of course, the Government was not in any sense whatever a party to that litigation, and had no more concern in it than they had in any ordinary lawsuit between any two insignificant private individuals in this town or any other part of the colony. It was purely a law point to be settled between the representatives of the two unions of seamen, and, so far as the Government or the Legislature was concerned, it was of no interest and no importance to them in any way whatever. Then, the honourable gentleman referred to the Imprisonment for Debt Abolition Act, which was passed last year, and cited a number of cases, amongst them being that of a clerk in the Civil Service who borrowed £80 and admitted that he had no prospect of repaying the sum when borrowed. Well, I do not suppose that any honourable member could follow the cases brought forward by the honourable gentleman, but I have no hesitation in saying that, so far as the case of the clerk in the Civil Service is concerned, I think the honourable gentleman must be making some mistake about it, because if the clerk did borrow \$80 under the circumstances, most certainly he would not come within the provisions of the Act, which provide that where money is obtained by fraud #cc-zero the person who obtains it is not to have the benefit of the Act. Certainly, under circumstances such as those stated, it appears to me it would come under the head of fraud. However, it is impossible here to argue all these cases. All I can say is that the case cited appears to be extremely doubtful, and to cast doubt upon the other cases mentioned by the honourable gentleman. I certainly should like to have more information on the subject before I accept his ipse dixit as to the effect of them. Now, turning to some remarks that I desire to make myself, if any one were to ask me what are the distinguishing characteristics of the Budget, what its key-notes are, I should answer that it was a declaration of the buoyancy of the finance of this country, coupled with what appears to me to be a wise and prudent warning to recollect that, though we have had years of prosperity in the past, we may not be so prosperous in the immediate future, and that we should be careful and prudent and not go too fast. That, Sir, seems to me to be very good teaching, a wise lesson and a prudent warning. We are told in the Budget that, in spite of a buoyant revenue and prosperous times, it is not proposed to launch out into an extravagant expenditure. A Colonial Treasurer who under such circumstances restrains himself and utters such a warning seems to be a wise and prudent man. But the very prudence and wisdom of the Statement has been seized upon by some honourable gentlemen and distorted into a vice and blot ; a warning to go slow they have construed into a danger-signal, and have suggested that the vessel of State is amongst the breakers, if not actually on the rocks ; and the prudent advice to go carefully in the future is regarded as a warning that risk and danger is impending, instead of being merely advice to go steady. in order to economize the fuel in case it may be needed in rough weather to come. Now, it does not appear to me that that is a fair or a proper way of dealing with the Statement. What does the Budget say ? Let us see whether there are any reasons for this cry of alarm which some honourable members have sent up. Last year, as far as the revenue was concerned, £5,906,616 was the amount, which is a record year. It was an increase of \$273,320 on the very favourable return of the year before, and that, it must be remembered, in the face of large remissions of Customs taxation, of railway rates, penny postage, and a

number of other remissions, amounting, perhaps, to a quarter of a million. These returns, I submit, Sir, are absolutely phenomenal. They demonstrate beyond argument the splendid public prosperity of the colony. There is nothing, surely, to be alarmed at about them. Now, as to what may be expected next year, the Treasurer estimates that the revenue is likely to be £5,896,000. Now, whatever the faults of the Colonial Treasurer may be, and whatever criticism has been levelled against him, it has never been suggested that he is in the habit of over-estimating his revenue. It is a notorious fact that the present Colonial Treasurer always under-estimates his revenue. So that I see no reason to doubt, seeing that the amount he has estimated as likely to come in next year is less than he has received this year-I see no reason to think that the estimate will be too much. On all the heads of revenue last year, with one small exception, there is a considerable increase. There is no sign of danger there, at all events, nor any cause for alarm. Now, I am told that that may be all very well, but the public debt has increased : " Look at how the public debt has gone up, by twelve, fifteen, or sixteen millions in ten years ; why, that is enormous, the country cannot stand it." Now, I have observed that a number of gentlemen, when dealing with this question of the public debt, have been extremely emphatic about the increase of it, but have never said a word as to how that increase has been made up. They have made no attempt to analyse how the increase was brought about, what purpose it was put to, whether it is earning any money in return for the expenditure or whether it is not. They simply content themselves with saying we have increased the debt so-much, and therefore we must be on the point of ruin. Now, for the purpose of putting the matter in its true light, I have been at some trouble to get up a small

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clearly stated. It is a table that shows the increase of the debt between 1891 and 1901, and how that increase is made up. It is as follows :- Table showing the Increase of Debt during the Period 1891 to 1901. € Gross public debt, 31st March, 49,591,245 1901 Gross public debt, 31st March, 38,830,350 1891 Increase for ten years .. £10,760,895 Made up as follows :- Direct interest-earning- £ Land settlement 2,075,566 Advances to settlers .. 2,380,000 Loans to local bodies 1,205,900 Lands improvement .. 500,000 Bank of New Zealand preferred shares 500,000 New Zealand Consols 459,389 District railways 47,000 Addition to open lines 625,000 Dairy industry 1,781 7,794,636 Non-direct interest-earning- Purchase of Native lands 649,700 Public works 1,910,000 Increase by conversion 646,312 Sinking - fund accre- 1,407,700 tions Naval and military 27,226 settlers Government Accident Insurance 2,000 4,642,938 Less redemptions- 12,437,574 "Consolidated Stock Act, 1884" 1,260,420 Other debentures 416,259 .. 1,676,679 Increase of public debt, 1891-1901 £10, 760,895 Now, it will be observed that I divide the amount borrowed into two distinct parts, that which is directly interest-earning and that which is not directly interest-earning. Under the former head we find that the total comes to \$7,794,636, or close upon £8,000,000. All this foreign money is directly interest- or rent- producing ; practically it is money we have received as middlemen, which we have taken in with one hand and handed out to the people with the other. The people pay us interest or rent in return for it. Under the other head come amounts totalling \$4,642,939, which is practically all the money we have borrowed during the last ten years for public works and other services not returning us a direct ascer- tained annual sum by way of interest or rent. In the Financial Statement for 1899 there is a most useful and valuable table, showing the in- crease in the public debt divided into amounts Mr. Barclay which were not, as I have shown in the table just given. It also showed what each amount earned, and the result was that, of the in- terest- and rent-paying millions we borrowed, we were about #70,000 to the good so far as income was concerned ; that is to say, we re- ceived in rent and interest more annually than the money actually cost ; and, as to the money which was not directly interest- or rent-earning, the \$70,000 practically paid the interest on that. My belief is that if such a table were compiled again and submitted to the House and the country it would be found that the interest which was earned by the borrowed money which comes under

the head of interest-earning money would actually pay the interest on the balance of the loans which are not direct interest-earning. Well, again I say I see nothing very much to be alarmed at in that. Now, one or two members on the other side of the House have uttered a warning with regard to the rate at which we are borrowing. I should like to remind those honourable gentlemen opposite of the utterance of one of themselves, one who is not the least respected, not the least honest or capable of his party. What did that gentleman say? He said, - "The Government deserved credit for sticking to its policy of land-settlement and for pursuing a policy of moderate borrowing. The Government had just borrowed enough to prevent the pressure of interest being felt in the colony." That was said on the public platform by one of their number. Have they any respect for the name, do they attach any weight to the opinions, of the Hon. William Rolleston, because those words which I have quoted are his? He is one of the most able and honourable of the gentlemen of the Opposition party, though not now actually in this House; and from the time he uttered those words there has been no change whatever in the borrowing policy of the Government. We are borrowing just a million a year for public works, roads, bridges, et cetera. An Hon. MEMBER .- When did he say that? Mr. BARCLAY .- In December, 1899, or it may have been in November. We have borrowed at exactly the same rate since then as we did before. We borrow exactly a million a year for public works, and only just so much as is necessary for advances to settlers and the purchase of land for settlements. I say this year there is exactly the same proposal to borrow a million a year for public works, which we cannot possibly do without. So far as the advances-to-settlers and the land-for-settlements policy is concerned, those Acts will come before the House in due course; but, so far as the Budget is concerned, the only proposal is to borrow a million a year. Mr. SEDDON .--- We have never had less than a million a year since the public-works policy was initiated in 1870. Mr. MASSEY .- What a statement to make. Mr. SEDDON .- You will see. Mr. BARCLAY .- One honourable gentleman to-night has said we ought not to borrow. I

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at these increases. I find that the chief in-City (Mr. Hutcheson) said we ought not to create creases in the Colonial Secretary's Department. It is pure nonsense to talk of building ment, the Post and Telegraph Department, the public works which we are to hand down to generations yet unborn-those unborn millions Education Department, the Department of Agriculture, and the Defence Department. In of which we have heard so often-to say that the Colonial Secretary's Department the in- we are to hand down these public works to them crease is £69,300, and if we turn to the esti- absolutely free of encumbrance. I ask, Is it mates it is plain how that increase is caused. right or just that we should tax ourselves to There is, of course, the census. The census is build these public works simply to hand them responsible for £23,270, the sum last year for over free of debt to posterity? No honourable gentleman will venture to tell me that these the Registrar-General's department being only £5,422. Take the Public Health Department: works should remain at a standstill until we can well, everybody knows that, owing to the passing afford to pay for them out of revenue. The of the Public Health Act of last year, consider- thing is unarguable. It reminds me of a passage able expenditure must take place in that depart- in Lord Macaulay's history. At the time when ment. We have consequently an expenditure the national debt was founded in England, that of #12,784 under the head of Public Health, as country had been at war for some time, and it against £511 last year. Then, there is the office had been the custom to pay the abnormal ex- of Trade and Commerce, which calls for \$8,908, penses for the year out of revenue. Of course, as against £304 last year. The tourist-traffic is that became unbearable after a time, and they one that is likely to be valuable for New Zea- had to resort to the process of borrowing for the purpose of an expenditure the benefits of land, and as all members approve of the crea- tion of the department, money must be spent which would pass to posterity; and Macaulay in that direction. It is put down at £16,147, as says here-and the argument is very applicable against \$5,278 last year. Then, there are the to the state of affairs in regard

to public works miscellaneous services, which absorb £81,398, in New Zealand,- " Why meet the extraordinary charge of a as against £52,512 last year. Of course the Royal visit is accountable for a good deal of year of war by seizing the chairs, the tables, the extra expenditure under this particular the beds of hard-working families ; by compel- head. There, then, is the bulk of the increases, ling one country gentleman to cut down his and can any honourable member conscien- trees before they were ready for the axe ; an- tiously lay his hand on his heart and say that that other to let the cottages on his land fall to extra expenditure is not justifiable, and not such ruin ; a third to take away his hopeful son from as he himself approves of ? I do not think any the university when Change Alley was swarm- one can. As to the Post and Telegraph De- ing with people who did not know what to do partment, I need not say much about it. The with their money, and who were pressing every- honourable gentleman in charge of it has ex- body to borrow it ? " If for " war " the words " public works " are plained so clearly the position to the House that everybody must fully understand that the inserted, the quotation is very applicable to the work of that department has considerably in- state of affairs in New Zealand. The position creased, and that consequently the expenditure here is exactly the same. We cannot construct must also be increased. Then, take the Educa- public works out of revenue. We must borrow, tion Department. The scope of the work in and it appears to me that the least amount we that department has been increased by the should borrow at present is a million a year. I Technical Education Act of last year, and we can imagine the faces of some honourable mem- cannot pay 3d. a head for all the pupils who bers if it were proposed to stop the public works. attend the technical classes, and pay the grants I can imagine the faces of the honourable and the other demands, without expending a. members from Auckland if it were proposed considerable sum. I really think that the ex- to stop the Main Trunk Railway. We heard penses of the technical education branch, last session a great deal about the " irreducible coupled with the increased capitation, makes minimum " of expenditure on that line. Then £67,000 a very moderate expenditure. Then, there is the Otago Central. Could I for an we come to the Department of Agriculture. instant agree to allow that railway-line to have Honourable gentlemen on the opposite side of its terminus in the Poolburn Gorge? No, not the House are supposed to be trying to identify for an instant. Then, there are various other themselves with the agricultural interest. They public works which would be similarly re- are attempting to pose as its special champions garded by the members representing the dis- and friends ; and surely the member for Patea triets in which those works are. The fact, and other honourable gentlemen on his side of however, is so patent that I shall not waste the the House, who are always talking about the time of the House by further dealing with it. oppressed and the down-trodden farmer, will Now, I am told, "Oh, well, leaving the ques- not object to an increase of \$17,005 in the De- tion of the public debt, it is the future expen- diture that is the dangerous thing. There is a partment of Agriculture. great increase even on last year's expenditure." Now, Sir, this increase, excepting the increase that. in the way of interest and sinking fund, are not taxed nearly as much as you ought to which, unfortunately, cannot be diminished, be. I will come a little later on, if I have time, amounts to £222,467. Well, turning to the Captain RUSSELL .- We are all taxed for Mr. BARCLAY .- Yes, that is true ; but you

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colony ought to be taxed, and I shall show the honourable gentleman some facts and figures with which he is, perhaps, familiar, but which he never publishes to the world in his public speeches. Now, take the Defence Department. Well, now, I am afraid I must call a halt. In this department, I must confess, there seems to be something queer. If one hears at any time about anything going wrong, of a muddle of some kind, of any trouble or scandal in some department or other, and if one is asked to guess which department it is, in nine cases out of ten if one guesses the Defence Department one would be right. I do not think that it is the fault of the honourable gentleman who is in charge of the department-I mean the Minister of Defence. As far as that honourable gentle- man is concerned he has plenty of energy, and

decision, and knowledge, and I know of no one in the colony who is likely to make a better Minister of Defence than the honourable gentleman. I believe that in the way of energy, enthusiasm, knowledge, and skill, he makes the best Minister we could have; but somehow or other the department 11.0. does not seem to work very smoothly. In regard to the expenditure of that department, last year it was £206,000 odd, which included over \$87,000 for South African contingents. This year, while there is only £30,000 put down for contingents, the expenditure is to be £213,000, which is £7,000 more than that of last year. Perhaps it will be said that this is on account of increased capitulation, but it is not so. The estimated amount for last year was £40,000, but only £16,000 was spent, and there is only \$30,000 put down this year. The cost of the new rifles is not included in these estimates. There is an amount of £20,000 for small-arms ammunition, but I do not see anything for new rifles. As to the vote of \$373,428 proposed by the Committee of last year, I understand that the authority to expend that is under the Defence Act of last session. As far as this department is concerned, it will probably be as well for us to look into the expenditure when it comes up; but I should like to say here a word or two in regard to the defence proposals, and the defence management of the Government. I may not be correct, but I have a very strong idea that it is a weak spot in our defence scheme that so little attention is paid to the Militia. If there is a lesson to be learnt from the unfortunate war in South Africa it is as to the value of the citizen soldier. There is no doubt about that, and there is no doubt that those people with whom we are at war were trained in the use of weapons, and had some elementary knowledge of entrenchments, and knew how to handle guns. It appears to me that it would not be impossible to inaugurate in this country a scheme by which the bulk of our inhabitants would have a little training, which, at all events, would be of some use. Remember that it is in defensive work that this sort of training is valuable. We do not propose to go on an offensive warfare, but it may be necessary Mr. Barclay is training in defensive work that will be found extremely valuable. I will ask the House to permit me to read an extract from a very valuable paper on the subject of defence by a gentleman who is well qualified to deal with a question of that kind. In regard to the Militia he says :- " Militia rolls should be made up and kept revised each year, and in cases where the fixed establishment of Volunteers fell below the minimum fixed by the Government, either in a centre or in any of the surrounding towns or townships, the Militia provisions of the Defence Act should then be enforced, and the first-class Militia called out for drill purposes." Then, - "The expense of drilling any portion of the Militia would, it appears to me, be but trifling. There would be no necessity for uniforming the men, and they would be called out for drill in their own time - morning, and evening, Saturday, and other afternoons when holidays are observed, &c. All that would be required would be drill-instructors and arms and accoutrements. The former could be supplied by the officers and non-commissioned officers of the Volunteer Force, and, as to arms and accoutrements, they should be in the colony against emergency arising." My time, Sir, is going very fast, and I should like to deal at some length with this question of defence, but as I have a lot of other matters that I wish to deal with, and probably another opportunity will arise, when we come to the Defence estimates, or on the first item of Supply, I will leave what I had to say in regard to that matter for another occasion. But, before leaving this question of the finance of the colony and the increase of the public debt, I should like to say something that certainly is not new-to make a statement for which I do not claim any originality- namely, that the interest which we have to pay on our debt is a great drain on this colony. It is the heaviest item of expenditure that we have, and I say that the time is rapidly coming when the question will have to be considered whether we cannot manage to make some of our public works without going to London to borrow the money. As far as I understand the process, what happens is this : We are not able to build a mile of railway in this country - unless out of revenue - without getting the permission of a number of gentlemen who live or sit in London. We desire to borrow the money to build a railway ; but we do not get, of course, any coin ; we do not get any notes ; we practically get nothing but the loan of the credit of the gentlemen in London who

are supposed to lend us the money. They practically guarantee our credit at the bank. Then, of course, the exports we send Home practically pay what is to be paid in the way of interest for our loans, and pay for our imports as well. Now, it appears to me that a scheme or reform could certainly be suggested or proposed by which we could avoid paying £3 or £3 10s. per \$100 to these persons, who practically merely

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ness of statistical materials at our disposal, guarantee us, for the rest of our natural lives, we see at once that a great birth-rate always or as long as the loans are for. Of course, what is really at the back of the thing is the answers to a great depression of the working-classes, to smallness of wages, to a bad distribution itself, its credit, its wealth, its resources. Now, is there not some means or some method of distribution of wealth, to an absence of social capital. The countries where public wealth is by which this work could be done by ourselves most widely divided, such as France, Switzerland without the intervention of those gentlemen, land, and Belgium, are those where the birth-rate step in and say, "If you pay us 3 per cent. per annum for guaranteeing you we will allow rate is least; while, on the other hand, Russia, you to go on with your works-or whatever is Servia, Hungary, and Germany-that is, where contemplated?" I need hardly refer, either, here the distribution is worst-are those which have to the question of the gold currency. I presume that nearly every honourable member in this House knows pretty well the facts of the formulates: - case. Our currency is on a gold basis, and everybody knows that our debts could not be the moral feelings of the popular classes the paid in gold if called upon to be so paid. The more restricted are their pleasures to those of amount of gold that is available to pay debts is sense, and so much the more is their birth-rate variously estimated from 1 in 40 to £4 in the abundant and disordered. £1,000. An Hon. MEMBER.- 2 per cent. Mr. BARCLAY.- 2 per cent. Of course, the diffusion, every diffusion of wealth, every increase holders of the sovereigns have an enormous addition of wages and of the standard of living exercises advantage in this way. It has been pointed out a useful influence on their birth-rate. over and over again that, the currency being to the birth-rate than high wages and the diffusion based upon gold, the gold necessary for business purposes does not increase at the same rate as diffusion of ease. the products: the business increases a great many more times than the supply of gold. The consequence is that gold appreciates-that is, gets more valuable - and if you want a sovereign you have got to give for it more goods than you would have if the volume of goods in trade had not increased. The amount of goods in the market increases greatly, and the number of sovereigns does not increase to the same extent; but they have to go round, and obviously you must give more goods for the sovereign, if you want it, than you did before. Of course, part of the decrease in the value of wool, for instance, may be owing to the fact of cheaper production, and so on, but a considerable part of the decrease is owing to the appreciation of the sovereign and the scarcity of gold. Now, in a colony like this, not very much can be done by the colony or the Government in regard to this particular matter. It is a matter between great nations like England and America; but the time has come in this colony to seriously consider whether State notes should not be issued, at all events, for domestic circulation. .. That, I think, could be done. There is a curious point in the Financial Statement about which I should like to say a word or two. The decrease in the birth-rate is deplored. In regard to this decrease in the birth-rate, in the first place it is nothing so very serious in any case. It is rather less than in any of the other colonies. But there seems to be an opinion in some quarters that this decrease necessarily means great disaster. Curiously enough, the opposite seems to be the case. The decrease in our birth-rate is only 5.48 per cent., which is lower than in any other colony. It is a curious thing that a large birth-rate is always coincident with a poor nation. It is always coincident with a bad state of affairs. There is an authority on the subject, a scientist named Francesco Nitti, and this is what he says,- And, again, these are the laws which he "1. The lower the economic situation and " And, on the other hand,- "2. Every improvement of the general condi-

"Hence nothing is more certain to fix limits "Countries where the ownership of the soil is much subdivided, as in France ; countries where the working-man has succeeded in winning high wages and short days, as in the United States of America, have a slight birth-rate. Even England, a country so naturally prolific, now that the economic causes which heightened the birth-rate have grown less, has a decreasing birth-rate. "It is clearly to be seen that a very high birth-rate always corresponds with slight wages, long days of work, bad food, and hence a bad distribution of wealth. " India, the classic country of abundant fertility, is the country where the economic phenomena referred to are seen much more intensely than elsewhere. " On the other hand, in the United States of America, notwithstanding the traditional fecundity of the British and Germans-who form the substance of the population - the birth-rate among the native-born is very slight; and, putting aside the other reasons of a political and ethical kind, the high standard of living, the large wages, the short days of work exercise their influence in limiting the birth-rate, and make the native-born population but slightly prolific." Why, it is another argument on the Right Hon. the Premier's side. This small decrease in the birth-rate points probably to an increased prosperity and a better state of affairs in the An Hon. MEMBER .- You do not believe in colony. large families ? Mr. BARCLAY .- Not if the parents are unable to properly maintain them, and if they are so large as to add to the unfortunates who have not got a proper chance in life through not being properly brought up and properly trained, and properly housed, properly fed, and properly

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or two in regard to the Lands Department. Now, in regard to that department, I have said before in this House, and I should like now to emphasize the fact, that there is a black blot upon it, and the blot is this : that daily, weekly, monthly, and yearly the freehold of the lands of this colony is slipping from our grasp. Turn to the official tables-I have the Year-book for 1899; somebody walks off with the latest Year-books for 1900, and modest members cannot get hold of them-and you will see that up to the year 1892-93 the bulk of the land was disposed of on the perpetual-lease system. After that year occupation with the right of purchase and the lease in perpetuity became the standard systems under which the lands were disposed of. Last year, quoting from the Year-book for 1899, there were 109,950 acres disposed of under the occupation-with-right-of-purchase system, and 159,415 acres under the lease in perpetuity, and that was by far the greatest amount of land disposed of. Then, take the number of the selectors: Last year there were for cash, 534 selectors; occupation with right of purchase, 458 selectors; lease in perpetuity, 665 selectors; and 106 lease-in-perpetuity selectors under the village-settlement system : making a total of 1,773 under those systems out of a total number of 1,953 selectors. Of other selectors there were only 180, and of this 180 forty were for small grazing - runs. Turning to the areas of land disposed of, there is the same result seen. Enormous areas of land are being disposed of now. The only national asset that we have, the only thing that we could say was really the property of the people as a whole, is being parted with year by year and acre by acre, and it is high time that that was put a stop to. And what an anomaly is here : We are buying back the big estates month after month, and yet month by month we are selling back the freehold ; and, by a return laid on the table the other day, I find even that the number of large estates is still increasing. Now, that must be stopped in some way or other. I hope the question will be seriously grappled with by the Minister in charge of the department, and that he will endeavour to do something to check, at once and forcibly, the evil. I regret to say that I have wofully miscalculated the amount I am able to get through in the course of an hour, and that I have still material here that would occupy me another hour or two. But before I sit down I would like to say a word or two about some agitation that is going on in the country just now as to the industrial laws, and as to the question of the farmer versus the artisan, the mechanic, and the labourer. There are some persons in the country-wicked people, to my mind -who seem to desire to set class against class ; they seem to desire to set the farmer against the artisan, and they raise a cry against the industrial laws, and say that they are

ruining the country and doing all kinds of harm. Now, what are the chief industrial laws? They are the Conciliation and Arbitration Act, the Factories Act, and the Mr. Barclay effect of these laws? Have they unduly raised wages in the country? I say they have not. Look at the Federation Report. Take the report of the Federation Commissioners, and you will see that these gentlemen say, on comparing the wages in New South Wales and Victoria, that the wages in New Zealand are no higher; and they say, moreover, that the cost of food and living in Australia is less than it is in New Zealand. And the president of the Wellington Chamber of Commerce, Mr. Reid, says that living is fifty per cent. cheaper here to-day than it was twenty years ago; and I think we may take the president of the Chamber of Commerce as some authority. I say there is nothing more amusing that I have ever heard in this House, whether the humour is conscious or unconscious, than the statements made by some honourable gentlemen as to the hard manner in which farmers and landowners are treated. Why, the farmers and landowners are coddled and nursed and looked after by this House in the way that no other class is. As to labour, what does the Department of Labour cost this country? Why, it costs the country \$7,000 odd per year—that is the total cost. And what does the Agricultural Department cost? It is to cost nearly £92,000 this year. Take the railway concessions the honourable member for Ashburton mentioned: \$76,000 in railway concessions, and purely on agricultural produce alone. Who gets the benefit of that? And then there are all these loans that are spent on roads and bridges: on what is all that money spent? What a contrast to what is done for the artisan in the cities! Who ever raises loans to lend money cheaply to the manufacturer? What has been done for him? Who is lending him a hand? Sir, it appears to me that the position of labour in this country, and in any country—its dignity and its value—is not realised by some honourable members. There is no doubt whatever that the wealth that is possessed by this colony—or any country—is the product of its natural resources and labour. It never seems to enter into the heads of some honourable members that now and for centuries past the workers have never had a fair share of the wealth that they themselves have been and are the chief factors in creating. In Britain the workers form 80 per cent. of the population, and they get one-third of the national income. Supposing the income of Britain was \$100, the workers, who form 80 per cent. of the population, would get £33 6s. 8d. of it, and the non-workers, who form the other 20 per cent. of the population, would get £66 13s. 4d. That is to say, each worker would get 6s. &d. per annum, and each non-worker would get \$3 6s. 8d. Now, is that fair, is that right? Do honourable members wish to see that state of things perpetuated in New Zealand? Sir, members of this House—and those outside it as well—should take their hats off to labour. It is to labour that we owe all the wealth we possess—it is through the workers that we live, and move, and have our being. Sir, I desire

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before I sit down to quote a short passage from a work by Mr. Hyndman for the benefit of the honourable member for Patea—a passage which points out that in Britain many a landowner is positively ignorant of the fact that he himself is but a pensioner upon the labour of the ill-fed agricultural labourer who humbly touches his cap to him at the park gates. The passage is as follows Mr. SPEAKER.—Time is up. Mr. LETHBRIDGE (Rangitikei).—Sir, the honourable gentleman who has just sat down, when he started his speech, led us to believe that he was going to give us something extra good. But all that he gave us was the same old tables to which we have been accustomed about directly interest-earning loans and those that are not directly interest-earning, and he gave us a disquisition on money. He takes an opposite opinion from most of us when he argues that a small birth-rate is the best for the country. The honourable gentleman also told us that the State should go in for a State note-circulation. Well, as far as I can see, the State now gets as much as it should get out of the banks' note-circulation. It gets 2½ per cent. on the circulation of the bank, and it would cost the State another ½ per cent. to print and procure notes for circulation; so that we have practically 3 per cent. interest on the notes the banks have in circulation. Now, I do not intend to criticize the Statement, because it has been thoughtfully done by several

members on both sides of the House ; and probably if I were to go into a lot of figures I might, instead of assisting the people to understand the financial state of the country, only succeed in befogging them more than they are at present. I could not help noticing that the method adopted by several thoughtful members on the Government side of the House in criticizing the Budget has been similar to the method adopted by members on this side of the House for several years past. We have said, in effect, that the cost of administration was increasing at a greater ratio than was the population of the country. I am not referring to borrowed money, because I say that borrowed money properly spent on railways and roads is not to be complained of, nor do we complain of it. I shall have, however, a few words to say later on as to whether the money has been properly spent. Now, as to the causes of the continued prosperity of the country, the country has been prosperous -no one denies it-but some of us say it is in spite of the Government, and although it has been prosperous we may see occurring again what we have seen in the past. We have seen times of prosperity, when the Government officials and their salaries have been increased considerably ; and then a time of depression comes, and something like a panic takes place. The country then demands that the estimates shall be reduced, and that Government employes should be sent right and left out of the public service. Then, the very fact of these people being " sacked " at such a time only goes to increase the depression in the country, because they are immediately thrown into competition with those in the country who are looking for work. Sir, we have seen that happen in the past, and if we are not careful it will come upon us again. Now, some honourable members have said that they see signs of depression already. Let us see if there are not signs of depression and panic. Is not wool, our principal staple product, lower than it has been for the past thirty years? It has fallen from 8½d. a pound to 4½d. a pound, which is practically a reduction of 50 per cent .; and if our income from wool, which amounts to something like five millions a year, is to be reduced by half, then the spending-power of the people must be reduced, and the revenue must fall in consequence. Butter now is fetching a good price, and we hope it will continue to do so. But what are the indications? We hear that Russia is starting to supply butter, and can supply it in England at 74d. per pound, and when we recognise the immense amount of country and everything that Russia has in its favour - a short passage to England-it will be seen that they can produce it, as I say, at a very much lower rate than we can, and that will tend towards cutting us out of the market. The Argentine is doing the same thing. Canada is increasing its output wonderfully. I do not say it will mean that we are going to get a less price for our butter, but, still, it should warn us that we cannot always expect to get these high prices for our produce; and when once the price of butter comes down the whole of the system under which the Government is acquiring land for settlements breaks down. The people placed on the high-priced land will have to leave their holdings, and the present high prices of land cannot continue. And, then, where comes the honourable gentleman's table of the direct interest-producing money ? The honourable member for Ashburton gave us an amusing history of the Farmers' Union-its start and progress in the North and in the South Island. He said it had even taken root in Ashburton. I think I can give some of the reasons why this thriving institution has taken root in the colony. One of the reasons, I think, is the valuations. There are valuers traversing the colony the whole time. If those valuers see a man improving his property by putting in a post, or putting up a stockyard, they immediately revalue the property, and increase the value. In our district, at any rate, that has been the fact. The valuer comes round and increases the value of the property at once; and the funny thing is that, although he watches the improvements made, he puts the increased value on the unimproved value only. The Premier states that something like eight millions has been added to the improved value and £6,375,000 has been added to the unimproved value of land. If this Valuation Department were not such a serious thing to the farmer this paragraph would be a screaming farce. I will read it :- " A careful revision of the land-values of the colony is now in progress, but it will take some time yet to complete this work. The result so

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£8,390,000, and of the unimproved value of £6,375,000. The gain to the land-tax revenue this year I estimate at £10,000, and I see no reason, notwithstanding the unfortunately low price of wool, why the land-tax should not increase year by year in sympathy with other heads of revenue until, at all events, the whole revision of the valuations has been completed." In one-third of the colony the valuations have been completed. The unimproved values in that one-third have been, I think, raised £3 an acre. The settlers in those districts are paying on that high value, whilst the others are not, and I venture to prophesy that by the time these valuers value the other districts the values of land will have dropped, so that the values will remain as at present. In the mean- time, I am afraid that the Wellington District is included in the one-third where the values are raised, and, unfortunately, they are paying on the unimproved value something like £3 extra compared with what people in some other districts are paying. Can you make any other deduction from that paragraph in the Financial Statement ? That is one of the reasons why the Farmers' Union has taken root in the country. The valuation in the first place, as has already been said by some honourable members, was the worst valuation ever made in the colony. I will give the House an instance of how valuers were ap- pointed in my district. This is a fact : There were two gentlemen who put in a tender to value a road district near where I live, their tender being \$250 for the whole of the work. A gentleman was sent from the central Valua- tion Department in Wellington to the district. He asked a gentleman of the "right colour," " Whom am I to appoint to do this valuation ?" The gentleman named two persons who had for some years acted as valuers in the district for local bodies ; they were really the best who could be obtained for the work. The Welling- ton official said, "I do not think they have made application." "Oh, yes, they have," said his friend. It was found they had made application, and the two gentlemen were then interviewed, and the Valuer-General said to them, "I cannot give you the whole of the block, but what will you do the half of it for?" They went out and consulted together, and, returning to him, they said, "We will do it for \$200." Now, honourable members will remember they had offered to do the whole lot for \$250. They considered they would not go to any more trouble over it, and that they would do the half for \$200, and they were accepted. They there- fore got much less than half, for which they were paid \$200, while they were willing to do the whole of it for \$250. That was the way the valuers were appointed, and the whole valuation was badly carried out. The district valuer has been worrying my district ever since, and I say that is one of the reasons why the Farmers' Union has taken such a deep root in the country. The local bodies, of course, have had to pay for the bad valuation. Now, I want to give another reason why the Farmers' Union has taken a Mr. Lethbridge Dunedin City (Mr. Barclay) says we are setting class against class. Well, that is a thing I deprecate entirely. I do not wish to do it; and I may say I am not against all the labour legislation that has been passed. Some of it is useful; and I am glad to hear some of the Government members and some of the best friends of the Government advising the Go- vernment to "go slow" in the future. I know that the farmers look with a certain amount of suspicion on labour unions, and I think they do so with some reason. One reason is this : A farmer goes into a saddler's shop and buys a saddle, or a set of harness. He says, " You are charging me a good deal more than I got this for last year. Why is it ? You do not give any higher price for the leather." Whether the saddler is right or wrong, he says, "The labour legislation causes us to pay higher rates of wages ; our workmen will not work so long ; and we are put to expense in going to the Conciliation and Arbitration Boards. We have, therefore, to raise the price of the harness." Those, Sir, are some of the reasons why the farmers look with some suspicion on the labour unions. I will mention another reason. The honourable gentleman will remem- ber that at one sitting of the Conciliation and Arbitration Board-in Christchurch, I think it was-a tanner said that if any more restrictions were placed on business, or if the hours of labour were still further shortened, they simply could not carry on their business, as it would not pay them to do so, and they would have therefore to clear out. The person representing the labour interests then said,

"The thing is very simple; it is in your own hands." He then said, "What can be done? You will have to give so much less to the farmer for the hides." That being so, do you not think that the farmers have some reason for looking with a degree of suspicion on this labour legisla- tion ? That is another reason why the Farmers' Union has taken root in the country. I said that I did not object to the borrowing of money if it is well spent. I have had many a growl over the North Island Trunk Railway, and I think I will have another little growl to-night. During last session the Minister for Public Works told us that the Makohine Viaduct would be finished by October of this year, and I am rather inclined to think that he led me into making one or two bets, which I suppose I shall have to pay and look pleasant. I am now told that it will be finished by October of next year. I think that that is possible. The Minister has further informed us that the North Island Trunk Railway will be finished in another three years. Last session he told us the work would take another four years, and he now tells us that it is to be finished in three years. Now, we were informed that the Mako- hine Viaduct would be finished in twelve months from last session. We now find that the actual time will be two years ; and if the North Island Trunk line is, according to the Minister, to be finished in four years, I suppose the actual time will be eight years. I do not know

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I say I really do not think it matters much if Mr. Flatman, say the other day that he it does take eight years. My reason for saying thought the railway from Springfield to Otira this is that if it is carried on as it has been in should be stopped. I understand there is a the past the colony will not get value for the tunnel there that is to cost a million and a money spent. I do not object to co-operative quarter. workers, for the men are paid for what they actually do. I believe that we have some workers on the North Island Trunk line who from Otira to Springfield, and I am told it is to make only 43. 6d. a day ; and no one will say cost a million and a quarter, and when it is that that is a large wage. Whichever side I finished the country between the tunnel and take I believe in stating the case fairly. I Springfield is simply useless. It will be good should not like honourable members to think that I am one-sided, and I do not wish to make statements that I cannot bear out, scandalous waste of money, to carry this on. I am sorry I cannot speak of the Otago Central but I believe there are some workers there who do not make more than 4s. 6d. per day. from personal observation, but I remember the But what I maintain is that we should not late Sir John Mckenzie said it was useless to go further than where the railway takes the carry this railway any further-that it was going material for its construction. We have got to the Makohine Viaduct, and we have been economy in this way, and stop these unproduc- there for several years, and we have the for- mation completed twenty-six miles beyond. I am not an engineer, but I think the cost has roads and bridges. I think, in the past the been twice as much as it would have been had we had the railway there to take the There has been too much patchwork. Too material on as the line proceeded. Mr. HALL-JONES .- It has cost more of course, but certainly not double. Mr. LETHBRIDGE .- Well, I think it has cost nearly double, and it has put the settlers there to great inconveniencce. They cannot even now ride down the main road. as the money will go. In the past we have Mr. HALL-JONES. - It has been like that every year. Mr. LETHBRIDGE .- It has never been so small bit in another, and by the time one bad as this year, and from Taihape to Paengaroa to carry on the railway-work they have had to has been lost. I think the settlers in the hitch two rails to horses and sledge them along the road. That means that the whole road is destroyed this winter. I hope to see a sub- my district I have two or three counties, stantial sum on the estimates from the Minis- ter for Public Works to assist them to put that or #50,000 under this Act. They have made road in something like repair. I say, really, if and metalled nearly all their roads, and have the railway is completed to the timber on each only a few bridges yet to construct; and that side, so that the timber may be sent to Auck- is where the Government help should come in. land, and brought down to the West Coast, Let the settlers in decent country-in some that is all we require for some years. I am glad, Sir, that the Premier in his Budget says and very hilly country it is impossible for a few that he is going to draw in,

in respect to the settlers to borrow sufficient to make roads - expenditure on district railways. He says, - with they should be taught the benefits of this "In respect to the expenditure on several classes of public works, district railways, and Act, and in the matter of bridges alone the Government should assist them. I am pleased especially buildings and works which are more the Minister of Lands has seen fit to hand a matter of convenience than of necessity, prudence demands that there should be a reduction of the money voted over to the Government in the expenditure thereon, especially local bodies. I know some of my friends object to handing the money over to local authorities, seeing that our population is so slowly increasing as they say local authorities let contracts and increasing, for it should be borne in mind that the increased ratio of population is much below the work is done too cheaply. There might that of the increased ordinary expenditure. have been something in this when work For every million borrowed and expended on was hard to get, but under present circumstances I say the money is better handed over non-revenue-producing works and objects to local authorities. In my district the local annual charge of about 10d. a head is entailed authorities cut the work up into small contracts upon every European man, woman, and child in the colony." tracts, and let these contracts to the settlers. I am glad to see that, because I think that The settlers have done well out of the contracts, which have been well carried out; and the these main trunk railways should be finished, and the district railways could wait. I was settlers have their roads, which they are proud VOL. CXVIII .- 14 Mr. HALL-JONES .- Nothing like it. Mr. LETHBRIDGE. - It is seven miles long, for scenery; but cattle or sheep will not live on scenery. I think it would be a pity, and a into a desert. I hope the Government will use five works at once. Now, money has not only been borrowed for railways, but for making money has been misspent in making roads. many tracks have been made which are really useless. The late Minister of Lands, of course, owing to illness, could not attend personally to his department; but I think the present Minister will adopt a better system, and start from where the roads are good and make them good as far been proceeding in this way : A small bit has been done in one corner of the district and a bit has been finished the bit formerly done back districts should be taught the benefits of the Loans to Local Bodies Act. In which have borrowed something like £40,000 country they cannot do so- in papa country but where they have ordinary country to deal

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of, because they have made them and paid for them themselves. I think I need not detain the House any longer. I think I have shown that we are not against borrowing money if the money is properly spent. I have tried 12.0. to teach the Minister for Public Works how to spend his money properly on railways. I shall have much pleasure in helping the Minister of Lands to spend any votes he may think fit to give my district for roads, and I am sure if he will take the advice of some of the settlers as to how the money is to be spent he will have it spent to better advantage than he will if he only takes the advice of his own officers. I forgot to say, in reference to spending money for roads, that too much money is spent on overseers. A small vote is given for a particular part of a district, and a few men are put on to do the work, but they have a man to overlook them, and there is an engineer sometimes to overlook him. That is where the money goes; and I say if a local body have the spending of it they have their own engineer, and he looks after the work without any extra cost to the Road Board or the Government. I thank honourable members for so patiently listening to me struggling through these few remarks. Debate adjourned. The House adjourned at three minutes past twelve o'clock a.m. #