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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 employes 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 public 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 it 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 establishment 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 are concerned ? Take a Board like the 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 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 endowments 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 Inspectors of Schools, I have advocated, as honourable 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 Department. That, I contend, would lead to uniformity 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 districts in which they are engaged vary considerably. We find, for example, an Inspector in one locality endeavouring to foist his own particular fads on the teachers in that education district; and, perhaps, the very notions and methods that he is assiduously endeavouring 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' certificates, we find in Wanganui that the leading educational luminaries recommend the reduction of certificates or disrating of teachers as well as their promotion, and, seeing the Inspector has the power of increasing a teachers' status, he therefore should also have the privilege 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 reducing 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 had some experience in managing a country school, and exhibited some powers of organization as the headmaster of the school. The 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 resolution 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 untrammelled by the Boards under which now they serve, and whose wrath or displeasure they dare not incur. If they were under the department, 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 .- Well, Sir, if the Inspectors 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 Education Boards in connection with the maintenance and building funds, I would point out that in the past some of the Boards have transferred sums from the maintenance fund for the purpose 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 Sydenham School-is at the present time overstaffed, otherwise the staffing we have adopted is somewhat 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 assistant, 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 satisfaction 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 satisfaction in some of the schools that we visited in Auckland as the House and country could expect. land the teachers exercise great care and devote much time and trouble to kindergarten instruction, 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 technical training of the rising generation. If we succeed 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 conclusion, 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 headmaster 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 experience, 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 satisfaction 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 Canterbury 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 criticism on the Financial Statement, also with regard to the work of the public service throughout 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 employees 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 in the open at roadside stations. When grain had accumulated with mismanagement, but with the delay in quantities 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 Minister, and the traffic went on more satisfactorily. Minister for Railways should manage that factorily ; but, as far as I am aware, there was no department only. Notwithstanding his great not a single night train on the North Canterbury line in the administration of the Post and 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 Government with 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 marketable 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 considerably-perhaps out of proportion to the number 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 expenditure is becoming heavier every year. It 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 employer 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 Commission 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 meat are higher, but that is owing to exceptional circumstances; and I hope that in the near future we shall be able to have coal delivered 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 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 advance 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 difficulties 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-#cc-zero 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 Govern- ment 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 con- siderable 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 join- ing 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 Fr'isco service. I am speaking more particularly of other portions of the colony which have large in- terests in regard to our export trade. I personally advocate a strong Australian and New Zealand subsidy for the service to connect with England vid 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 mari- time 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-bindings, kerosene oil, and other articles connected with agricultural work, which have no import duty on them whatsoever. Hence they derive trade ad- vantages 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 glutinous 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 Railway 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 particular 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 Railway 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 expenditure 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 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 distributed as early

as possible. I am told that the oldest Volunteer corps in the North Canterbury 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 Riccarton, Mr. G. W. Russell, said the Government had departed from the cardinal principles enunciated 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 Government did Lord Salisbury say the other day in the ment, but I am going to draw honourable members' 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 sacrifices in order to prevent " unemployed " difficulties 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 occasion. \\_ Mr. LAURENSEN (Lyttelton) .- Sir, I believe the orthodox procedure is to get up and say, " At this late hour I shall not detain the House at any length." However, this afternoon 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 Government 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 necessary, voting against them. After all, there appears to be very little opposition to the Government measures from the so-called Opposition. 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 prepare for adversity now it will be all the worse for us when it comes. Instead of heaping up borrowed 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 something worth telling honourable members. The honourable member for Riccarton drew a comparison covering ten years, and it is my intention 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 accordance 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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annual 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 Government 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 " difficulty. 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 Government should now begin to deal with the question 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 market and borrow money at a very disadvantageous 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 England 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 suspend their payments. People would know that they had not only State security behind 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 Laurenson . 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 indi- cator 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 fael 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 care- fully 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 Govern- ment 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 ex- pended on good useful purposes, and are like- wise 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 sho in the increase of expenditure. It is per- fectly true that for increased services increased expenditure is necessary ; but I think it is very doubtful if an increase is warranted to the ex- tent we are now going. Sir, the right honour- 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 bor- aid 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 to compare with 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 money actually borrowed, from the 31st March, 1891, of £12,660,000. Notwithstanding this, the telegraph 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 Government have already authority to raise, but have a year under the Land for Settlements Consolidation Act of last year. So that if honourable members 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 telegraph indicator set at " Slow." I admit, Sir, that I must take a certain share of the responsibility, - as every honourable member of 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 perfectly 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 :-

Year	Revenue
1891	4,078,784
1892	9,000,000
1893	4,029,216
1894	4,368,537
1895	4,150,528
1896	4,272,179
1897	4,616,277
1898	4,895,051
1899	5,083,133
1900	6,000,000

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 permanent 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 sinking 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. In- stead 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, in- cluding 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 en- able 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 colony, 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 purchasing 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, #cc-zero 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 anemometer. 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. Withford, 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 inability any one with an elementary knowledge 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 reference to accounts of the Council, and also how they compare to the revenue and expenditure, in 1896 compare with the previous three or four years. If a similar system was adopted with the colonial accounts 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 posses- there is included a large number of wives and sion 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 expendi- prosperity of the colony, as indicated by the ture, 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. There- fore I contend that the proposals of the Govern- ment for the coming year would have been more satisfactory if they had proposed to in- crease 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 #cc-zero 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 im- provements, and I should have much preferred if it had been possible to deal with the un- improved 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 contri- buted \$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 honour- able 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 rail- ways #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 expendi- ture 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 £312,953s. 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 mem- bers 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 ex- penditure in the North and South Islands. Take, for instance, the amounts spent on tele- graphs, or the amounts spent on lighthouses and public buildings. I was not able to analyse them, because I could not ascertain the locali- ties 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 £53,138 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 inten- tions 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 pro- vision 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 expen- diture on railways per head of the inhabit - ants 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 popula- tion, 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 con- tinued? I say that the whole of this injus- tice 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 dearness 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 unsettled, 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 Auckland 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, "Feegures will prove anything "; and | 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 re- sponsibility for those mistakes must rest with Ministers, for they have not provided those de- tails 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 colo- quial way, " a clean breast of it." If the Pre- mier thinks that he will gain anything by keep- ing 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 be- lieve that such a course of conduct helps to give colour to the widest and wildest state- ments 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 #cc-zero 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 ob- jected. 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 pass- ing 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 allow- ances. Notwithstanding this, we have here £2,250 as a special grant to His Excellency, together with #40 for special trains on the Mid- land 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 Go- vernment line for the convenience of Lord Ran- furly. 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 com- fort 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 ex- travagance 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 con- test 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 ex- travagance 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 9.30. 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 Those stores will 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 improvements 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 corporation, institution, syndicate, or any organization 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 willing 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 passage 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. Indeed, 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 Wairarapa, I am perfectly certain that they would sympathize 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 Masterton 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 mere-tricious 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 honourable 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 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 honourable 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 mort- gage-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 reduc- tion of id. 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,

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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 Jack- son'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 de- benture-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 compari- son of the salaries paid to Premiers and Minis- ters 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-allow- ances. \$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, Common- wealth, #251=£5 per week for the whole year ; Assets Board, £250=£5 per week for the whole year ; the " Tutane-kai " trip to Cook Islands, £1,151, plus Secretary's photo- graphs, 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 attend- ing 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 trans- ferring \$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 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 re- main still a deficiency of £260,000. By trans- ferring the proposed \$500,000 from the Con- solidated 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. Ho has simply blotted out of his calculations alto- gether 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 ad- vances-to-settlers and land-for-settlements loans. While the population of the colony has, since. 1896, increased by under 10 per cent., the in- direct 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

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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

abrogated 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 Pre-

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mier 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 enume-



rated, including overdrafts and accommodations, reach the sum of a hundred millions of money, upon which we have to pay an average of 4 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. 2d., or for a family of eight persons £1,000 of principal, with interest at 4 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 anything, 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 vented 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 Premier, 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 reviewing the taxation of the colony, have increased the capital value by £8,300,000, and the unimproved value by £6,375,000. Sir, the Premier 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 sending three thousand five hundred of our best manhood to South Africa to defend the old flag. The expense connected with sending contingents to the Commonwealth and to the Federal Parliament I consider was wasteful and extravagant, as there was no necessity whatever 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 number of officers and men connected with the Permanent 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 deduct 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 progress 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 de- clare 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 ombodi- ment 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 ex- penses 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. £

Minister	Salaries	Travelling	Expenses	Total
Premier	1,600	2 8	330 17 8	485 2,416
Hon. J. G. Ward	1,300	230 10	276 17 6	1,827 7 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
Hon. McGowan	1,000	81 0 119 14 9	1,200 14	Hon. Mills 1,000 0 23 75 9 0:
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 observation, 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 Legislative Council.

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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 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 ex- ports 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 rail- ways. Sir, I venture the opinion that, inas- much 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 ½d. 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 con- sistent 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 expen- diture 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 resolu- tion ? 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 confi- dence 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 junc- ture, 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. Not- withstanding the address he has just delivered I am inclined to think he has not very mate- rially 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 can- not 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 re- formed 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 considera- tion, as occasionally happened in previous years, members of the Council are to be found altering and amending our Bills, and, no doubt, improv- ing 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 mea- sures, 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 sometimes 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 cannot 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's 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 speaking, only the reckless would accept the responsibility 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 position New Zealand occupied before the British creditor. We were put on our good behaviour. We were told that we could have another million, but we must not come back again for three years. Could anything be more humiliating? 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 Conservative 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 survive ? 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, corroding and burning up everything it came in contact with, until the spending-power of the 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 almshouses 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 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 Otautau 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 Otautau. 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 disrupted in the event of war. Ways are of the greatest importance in promoting the interests of the colony. They should be pushed on ahead of population, and population will follow them. Our railway system 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 advocate indiscriminate borrowing for lavish expenditure in connection with the construction of railways: that would be but remotely reproductive; 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 increase 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 congratulate 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 certain loss. But the loss is only temporary, because ultimately they have proved remunerative, 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 pursuer 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 cerns 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 parcelling 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 retains his capital to buy stock and plant. Immediately a man purchases the land he uses capital 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 resuming 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 purchased and made available for settlement purposes. Why not take up the land where the railways are, and where the people would have public conveniences to make their farms remunerative 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 advantage 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 concerned, 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 expended 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 mankind. 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 Ministers should go throughout the colony ascertaining some information as to what the requirements 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 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 re- moved 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 previous wire to you, that the meeting stands adjourned for six weeks to enable the directors to make arrangements with the vendors regarding 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 received 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 shareholders' 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 employé, 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 pur- chased, 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 de- clined 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 de- clining 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 de- clined to pass the transfer, and, as already explained, he lost his seat on the Board in con- sequence, 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 Ben- jamin 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 application 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 allotment, 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 responsible 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 February, and the date of the company's registration 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 application-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 application 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 any- thing 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 share- holder. " 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 al- lotted 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 con- cerned, he has received no consideration. " Has he signed the transfer ? - I presume so, or else the solicitor would not have ad- vised, 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 com- pany went into liquidation it would complicate matters if the vendors' shares were allotted. He said it would be better to make an arrange- ment 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 sub- scribers' 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 posi-

tion ?- 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 you 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 transaction ? 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 application-money, do you think the directors could legally pay him the brokerage when the application-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 secretarial 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 published 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 circumstances under which the report of the 27th instant appeared; and as we are already looking 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 whatever way you like, but I think we are signalling 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 inquiring 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 the House 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 aggravation and a repetition of the original offence. It shows that an organized, persistent, determined attempt is being made -and a successful attempt-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 pro- cedure 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 re- sult 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 Chair- man 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, sec- ing that the Committee was now engaged in- vestigating 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 any- thing 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 after- noon, 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 point- ing 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 ; there fore 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 adul- teration. 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 pro- visions, 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 Depart- ment. 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 adultera- tion 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 prac- tices 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 en- force 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 Go- vernment and the Education Boards of the colony are infusing great vigour into the ex- tension 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 work- men and foremen in our great industrial esta- blishments, 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 re- marks 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 intelli- gence that he possesses, and which he conspicuously displayed in connection with his membership of the Royal Commission ap- pointed 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 in- formation 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 educa- tion 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 obtain- able, and the children of the colony will benefit thereby. I very much regret that the amend- ment 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 is- suing penny posta ze-stamps or postal notes and issuing bank-notes. I feel certain, Sir, that when public opinion is fully educated on this sul.ject, 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, wo 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 Mr. Hanan tunity of putting it 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 neces- sary that a great number of the repealed statutes should be removed from it, and that there should be a comprehensive consolida- tion 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 Commis- sion were set up of Judges, laymen, and others having a good knowledge of the subject, to as- certain whether we could not take further steps in the direction indicated. To cheapen liti- gation 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 at- tained. 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 pro- gressive 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 colouy. As far as the land- settlement policy is concerned, I hope it will bo 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 everywhere 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, otherwise 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 believed 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 honourable 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 congratulate the honourable member for Hawke's Bay and the honourable member for Bruce, because their speeches were clever, and they drew 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 consideration, 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 conscientiously 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 difficult 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 gentleman's speech was simply a string of generalities, 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 demonstrated 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 matters 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 statement, 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 present. 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 reminds us, of an experience of the honourable member for Nelson City as a newspaper correspondent, 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 abandoned 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 elevating 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 opposite 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 different 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 honour- able member is the personification of incon- sistency. 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. Rol- leston-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 him- self 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. Reviewing 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 honourable 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 honourable 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 extricated 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 member 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 extravagant, and that our surplus was obtained on a wrong basis, and had been wrongfully transferred 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 endeavouring 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 subject 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 pen- sions 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 borrow- ing, 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 argu- ment 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 pro- sperity 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 gentle- man when he was addressing his constituents. Again I ask, am I to accept the analysis of tho finances of the colony from one who is such a weathercock, and who can change colour liko the chameleon ? We go a little further, and we find that last night Mr. Seddon, according to the honourable member, was a financia Ana- nias; 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 Parlia- ment 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 Go- vernment 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 con- fidence in the Premier." I say it was dishonest and frivolous for the honourable gentleman to waste our time last

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ceive us or was deceiving his constituents when he addressed those words to them. Now, I have devoted far more time than I had in- tended in order to show that I could not and would not accept the analysis of those honour- able 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 mem- bers, 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 phraseology 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 Govern- ment 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 pro- gress 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 illustra- tion, and it strikes me that it is a barometer that cannot mislead. I hold that we are jus- tified 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 State- ment, 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 Go- vernment 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 op- portunity 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 de- pended 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 inay 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 anti-

pated 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 Wai-rarapa (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 therefore not be out of place. For six years Captain Russell was the recognised leader of the Opposition, 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 character in melodrama who is, or used to be, known as 'the walking gentleman.' A 'walking gentleman' has never yet been intrusted 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, except 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' between 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 exhausting financial statement of the honourable member for Nelson City, and some other financial speeches to which we have listened, I propose 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, therefore, 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 Government. 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 indebtedness for the last ten years is approximately the same as the increase for the preceding nine years—namely, one million a year:—

Gross Debt.	Net Debt.	£ 38,713,068
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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 .. Increase (ten years) 10,878,177 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, 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 1,700,460 1897 .. 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 :- € 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 :- 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 :- 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 where the Government 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- tainly 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 employés." 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 misleading. 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. 101d. ; in Victoria, 48. 5jd. ; in New South Wales, 5s. 7jd. ; in South Australia, 4s. 2jd. ; in Queensland, 68. 9jd. ; in Western Australia, 128. 0jd. ; 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 state. 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 pre- sent we are rather in troubled waters. If so, it is desirable we should go slow. I am, how- ever, 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 applica- tion. 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

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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 employes 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 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 employes 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 Commissioners 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, Ewepburn, 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 hansardise 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 Cus- 2.30. toms) .- 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 honourable 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 honourable 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 Dunedin 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 thou- sand acres than you had when you owned the one hundred thousand acres, simply by the pro- motion 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, extending 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 record for the colony, so whilst the Government have been making very large remissions, still the Customs returns show wonderful buoyancy. 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 increased : 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 38. 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 to the 31st December, 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 1900 the enormous sum of £13,246,161, showing an increase of 38 per cent .; and yet some pessimistic 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 Kingdom 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 rail- ways have not been included in these valua- tions, and only the surface valuation of mines. What, then, is the result? The land valua- tions 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 abo- lished the land- and income-tax was introduced. Let us compare the two and see what it means. The property-tax, which included all improve- ments, 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 singu- lar 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 increas- ing and then fluctuating, until last year it yielded only #294,583. The income-tax, which in 1892-93 only represented 3,443 per- sons, 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; be- cause 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 remuneration they received, in my opinion, was not worth talking about for the services they rendered, 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 taxation, 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 obtaining the bedrock values for our land throughout the colony. Another factor which has not been noticed by honourable members in their criticism 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 advisable you should make these changes"; and therefore you cannot possibly open new departments, 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. They have ample security-they would say in a real only regret I have is that up to the present 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 settlement. 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 settlement, 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 advance so far, as well as the Cheviot Estate. advance £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 continually 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 1891 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 honourable 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 provide 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 re- bate 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 Commis- sioners of Crown Lands did not see the matter in the same light, and for that reason the con- cession 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 im- portant subjects-namely, the railways, educa- tion, the tourist traffic, gold-mining, the expan- sion of trade, and federation - and say something more about our assets and liabilities before sit- ting 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 Govern- ment came into power in 1884, and in 1886 the net assets of the colony, according to the assess- ment, 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, there- fore, 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 pro- bably worse; but I do not wish to make it ap- Now, take that sum pear 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 flourishing 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 intention to take up unnecessary time, but there is a question in the way of raising money for the 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 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 altered will remember that, when the discussion took place 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 respecting 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 Government during the debate have taken the form of objection, but, I am sorry to say, objections figures, and they have been swarming to such an extent were raised from our own side of the House as extent that some members have them in their well. Now, one might reasonably have supposed, and I am inclined to think it will take time, 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 anything 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 Government were hurling the colony to destruction. 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 government 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. I 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 endeavour to make out, surely it would not be in the prosperous condition it is now. The Government 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 of the House threatening to block the estimates 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 Bills 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 time when we had just gone through a period the time may come, but it will not be in our time 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 sibly 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 Government 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 imprisonment 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 Depart- ment 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, Taua- kira, 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 & 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 Pre- mier 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 railway 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 carcases 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 carcases 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 reductions 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 commercial 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 concession 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 De- partment 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 depart- ment. 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 thou- sand males and thirteen thousand females at work in factories. And what do the returns show? The honourable gentleman says we are not pro- gressing-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 fac- tory hands, and in 1900 only sixty thousand ; yet in this country, under the Act of 1894, there were forty-eight thousand hands em- ployed 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 manu- factures 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 sec- tion 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 gentle- man who spoke last. What were their ship- ments 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 Re- public 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 car- cases. 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 re- commended by the Commission they may con- sider themselves fairly well treated. It is all very well for us to say that as a colony we should pay these debenture-holders their de- mands. 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 con- tributed 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

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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. Probably 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 customer 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 barometer 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 careful-and that warning came from the Government 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 Government 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 suppose there has ever been a debate on the Financial Statement 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 of this House who does his duty to his constituents 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

Govern- ment ; but when he touches on labour matters, then you get no stronger condemnation of the Government's legislation and the Govern- ment's administration and the Government's actions than you get from the honour- able member for Wanganui. And so on right down the whole of the Government tol- lowers ; 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 Govern- ment 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 employés of the Government in dif- ferent 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 Govern- ment appoint the honourable member Chair- man 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 Com- mission before the evidence taken in regard to it is brought before this House. I allude par- ticularly to the member for Wallace, Mr. Gil- fedder, 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 Stan- dard 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, al- though they do suggest instruction schools in the four large centres- which I main- tain would not meet the requirements of the country districts at all-instead, I say, of pro- posing 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 get- ting 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 any- thing 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. I hope, in accordance with the promise 7.30. of the Premier, that we shall have a 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 pre- sent 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 "Un- authorised," 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 rest 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. 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 employes 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 employes 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 adminis- cheaply at that price. tration 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 Parliament. In connection with the Premier's suggestion 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 settlement. 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 because 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 unfair 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 succeeded without spending a penny of Government 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 Government: 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 experiments. 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 debate 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 argument 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 continuing 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 remarks 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 honourable member for Wanganui, who spoke this afternoon 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 honourable 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 constituted, 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 contended, 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 "sweating" 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 remarks of the honourable member for Patea. it seems to me that that honourable gentleman 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 honourable 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 Treas- 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 connection 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 Treasury done ? Certainly not. The policy of this party surely 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 farmhouse 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 concerned -- 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 Government 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 Government ? 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 touched 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 contrary result ? 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 Waikanae 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 honourable 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  $\pm 344,888$ , 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 share of 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 by the 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 evening 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,

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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 it 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 varies 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 unneces- amount of doubt as to what was said to the sary-in connection with the South African war ; West Coast deputation ; but, leaving that sub. and not only that, but also in connection with ject, it is quite evident to any one of ordinary the somewhat unusual events of the last twelve intelligence, from the facts and figures con- or eighteen months-the Royal visit, the visit tained 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 extrava- motto - that money is no object. They have increased the salaries, increased the number of gance of the last few years the only wonder is that the financial prosperity has lasted so long ; Ministers, and increased the expenses in con- " 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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nection 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 posi- tion 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 re- turn, 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 posi- tion 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 Trea- surer admits he is unable to make ends meet, and that in consequence the taxation must be increased, down go our stocks, and the diffi- culties 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 #cc-zero 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 de- mand in this colony, and consequently steamers running to South Africa would have to return empty, or partly so; and unless we are pre. pared to pay a very heavy subsidy it would be almost impossible to secure regular steam-com- munication 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 in- vited for a large order of oats from the Im- perial 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 Go- vernment itself to take small parcels of grain from the producers, but an opportunity of ob- taining suitable freights should be given them to conduct their business as they think best." Mr. Massey We are told it is impossible for the Govern- ment 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 tures at the current rate of interest-namely, figures for last year, so far as agricultural pro- 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." dusty, 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 lb. 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 gentle- men 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 Go- vernment 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 re- ferred 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 dis- trict 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 in- crease the output of dairy produce. I tried to get the figures for last year's export of butter to Britain from the principal dairying coun- tries of the world, but without success. I have, however, taken out a comparative table show- ing the imports of butter to Britain for the years 1895 and 1899, and which I wish to place on record. It is as follows : - Mr. Massey £ £ Canada 1,113,956 153,401 .. Victoria 1,051,358 982,682 United States 271,776 704,061 Russia - 633,696 685,493 .. Argentine 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 dis- couraging 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 impres- sion 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 pur- pose 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 neces- sary buildings-residence, stock-yards, subdivi- sions, et cetera ; so that if he takes his own out- lay 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 Govern- ment of the colony to go slow. Now, Sir, in the course of this debate we have heard 10.0. 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 Go- vernment." 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 biased 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 ren- dered 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 an- other 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 pre- sent time hundreds of thousands are appro- priated annually for rolling-stock and other im- provements 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 re- venue 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 \$431,388 includes the land-for-settle- ment 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. 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 State- ment - 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 pub- lic 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-opera- tive system. Then, there is a very brief reference in the Statement to the San Fran- cisco 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 Auck- land 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 dis- courteous, in fact, said I had been rather dis- courteous to the deputation. Now, no mem- ber 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 depu- tations 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 ap- peared in the Lyttelton Times, says :- " His reply seems to have been scarcely cour- teous, 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 cer- tainty who contributed the paragraph purport- ing 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 subse- quently 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 gentle- man 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 com- menced his speech by giving us a quotation from Shakespeare, " You have an exchequer of words, but no other treasure," I also will com- mence by giving him a quotation from Shake- speare. 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 State- ment. 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 State- ment. 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 Tele- graph Statement, and of the Lands Statement, and also of a document known as " B .- 1." Now, for the information of honourable mem- bers, I will give them some idea of the trouble experienced in other countries with regard to laying papers on the table containing informa- tion 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 Ad- ministration of the day. The honourable mem- ber 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 before.

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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 Government 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 sincerity 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 honourable 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 expenditure 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.