

LEGISLATIVE COUNCIL. Saturday, 2nd November, 1901. First Readings-Factories Bill. The Hon. the SPEAKER took the chair at eleven o'clock. PRAYERS. FIRST READINGS. Maori Lands Administration Bill, Govern- ment Railways Department Classification Bill (No. 2). FACTORIES BILL. IN COMMITTEE.

Clause 29 .- Provisions to secure reasonable remuneration to persons employed in fac- tories.

<page:1110>

" That the clause as amended be agreed to." AYES, 18. Johnston Smith, A. L. Arkwright Jones Smith, W. C. Barnicoat Bolt Peacock . Swanson Bowen Pitt Twomey Walker, W. C. Gourley Reeves Harris Williams. Rigg NOES, 4. Feldwick Jennings Jenkinson Kelly, W. Majority for, 14. Clause as amended agreed to. Clause 32 .- " (1.) Nothing in this Act shall be deemed to prevent, -- " (a.) Any person being employed in a print- ing-office on the half-holiday for the purpose of printing or publishing an evening newspaper ; nor " (b.) The substitution of other working-days as whole holidays in lieu of Easter Monday, Labour Day, and the Sove- reign's birthday, in the case of persons employed in the printing and publish- ing of newspapers ; nor " (c.) Any boy being employed on the half- holiday in the publishing or delivering of a newspaper. "(2.) For the purposes of this section, ' newspaper' means a paper containing public news, printed for sale and published in New Zealand periodically, or in parts or numbers at intervals not exceeding twenty-six days between one publication and the next." The Hon. Mr. JENNINGS moved, after the word "nor," in subsection (a), to add the following words : "on one evening of the week, except Saturday, for the purpose of printing or publishing a weekly newspaper ; nor." The Committee divided on the question, " That the words be added." AYES, 14. Pitt Barnicoat Jennings Bowen Johnston Swanson Feldwick Jones Twomey Williams. Harris Kelly, W. Peacock Jenkinson NOES, 7. Smith, A. L. Arkwright Reeves Walker, W. C. Bolt Rigg Gourley Majority for, 7. Amendment agreed to, and clause as amended agreed to. Clause 36. - Penalty for death or injury through default of occupier. The Committee divided on the question, "That this clause stand part of the Bill." AYES, 10. Smith, W. C. Arkwright Pitt Barnicoat Swanson Rigg Walker, W. C. Smith, A. L. Gourley Kelly, W. Bolt Jenkinson Twomey Bowen Jennings Williams. Feldwick Peacock Majority for, 2. Clause retained. Schedules. Second Schedule. - " Works and factories exempted under the operation of section 18 :- "1. Freezing-works. "2. Dairy factories, including creameries. "3. Fellmongeries and pelt-works. "4. Fish curing or preserving works. "5. Jam - factories (during the small - fruit season). "6. Bacon-factories. "7. Sausage-casing manufactories " The Committee divided on the question, "That ' freezing-works ' be included in the Schedule." AYES, 14. Pitt Barnicoat Harris Smith, W. C. Jenkinson Bolt Swanson Bowen Jones Walker, W. C. Feldwick Kelly, W. Gourley Peacock NOES, 4. Smith, A. L. Reeves Rigg Twomey. PAIR. For. Against. Jennings. Shrimski. Majority for, 10. Word retained. Clause 18-"(1.) Subject to the provisions of this Act, a male worker shall not be employed in or about a factory,- " (a.) For more than forty-eight hours, ex- cluding meal-times, in any one week ; nor "(b.) For more than eight hours and three- quarters in any one day ; nor "(c.) For more than four hours and a half continuously without an interval of at least three-quarters of an hour for dinner. "(2.) The foregoing limits of working-hours shall not be deemed to apply to any male worker employed in getting up steam for machinery in factory, or in making prepara- tions for the work of the factory, or to the trades referred to in the Second Schedule here- to. "(3.) Where in any award of the Arbitration Court, whether made before or after the passing of this Act, provision is made for limiting the working-hours in any trade, this section shall in respect to such trade, and so long as such award continues in force, be read and con- strued subject to the award." The Hon. Mr. JENKINSON moved to strike out the words after "apply " in the second paragraph down to " work of the factory." The Committee divided on the question. "That the words

' to any male worker employed' stand part of the clause."

<page:1111>

Harris Reeves Barnicoat Jones Swanson Bowen Walker, W. C. Peacock Feldwick Pitt Gourley NOES, 5. Twomey. Bolt Rigg Smith, A. L. Jenkinson PAIR. For. Against. Shrimski. Jennings. Majority for, 6. Amendment negatived, and rest of the amendment withdrawn. The Hon. Mr. JONES moved to insert, after clause 194, the following new clause :- "The provisions of the last preceding section are hereby modified in the case of woollen- mills to the extent following, that is to say : Women and boys may be employed therein - "(a.) For not more than forty-eight hours, excluding meal-times, in any one week ; and " (b.) For not more than eight hours and three-quarters in any one day ; and " (c.) For not more than four hours and a half continuously without an interval of at least three-quarters of an hour for a meal." The Hon. Mr. RIGG moved to report progress. The Committee divided. AYES, 3. Swanson. Rigg Smith, A. L. NOES, 12. Peacock Gourley Barnicoat Harris Pitt Bolt Smith, W. C. Bowen Jones Walker, W. C. Kelly, W. Feldwick PAIR. For. Against. Jennings. Shrimski. Majority against, 9. Motion lost. The Hon. Mr. REEVES moved, That the Committee do at once divide on the question in debate. The Committee divided. AYES, 10. Kelly, W. Barnicoat Gourley Jennings; Peacock Bolt Pitt. Jones Bowen Feldwick NOES, 5. Walker, W. C. Harris Rigg Smith, A. L. ; Reeves Majority for, 5. New clause agreed to. Bill reported, and read the third time. The Council adjourned at twenty minutes past eleven o'clock p.m. Monday, 4th November, 1901. Second Reading - Third Readings-Local Bodies' Loans Bill-Cook and other Islands Government Bill-Government Railways Department Classification Bill-City of Auckland Loans Consolidation and Auckland City Borrowing Bill. The Hon. the SPEAKER took the chair at half-past two o'clock. PRAYERS. SECOND READING. Maori Lands Administration Bill. THIRD READINGS. Public-school Teachers' Salaries Bill, Local Bodies Goldfields' Public Works and Loans Bill, State Coal-mines Bill. LOCAL BODIES' LOANS BILL. The Hon. Mr. W. C. WALKER .- Sir, this is a Bill which aims mostly at consolidation. There are only five sections in which there is any new law. Section 4 is the first one, enabling a local authority to pay preliminary expenses and the first year's interest out of loan. It is also provided that the intention to pay such expenses or interest shall be stated to the ratepayers before they vote on the question. Clause 5 enacts : "It shall not be lawful to pay out of any loan the cost of maintenance or repair of any public work or undertaking for which the loan was raised." Clause 6 enables the local authority, whenever it is deemed advisable, to deposit with any bank any sums of money at the credit of any loan account, upon such terms as the bank under local authority may agree. Section 19 is also new. It is merely a formal matter, relating to debentures and coupons, providing : "The yearly interest on every debenture shall not exceed 5 per cent. on the amount thereof, and shall be payable half-yearly or otherwise ; and separate coupons for each sum so payable in the form numbered (4) in the First Schedule hereto, and numbered consecutively for each debenture, shall be attached thereto." The section also provides : "It shall be sufficient if the signatures of any persons to any coupon are lithographed on the coupon, or impressed thereupon by means of a stamp." Section 81, I think, is the only other section that requires attention. It refers to loans to boroughs of a population of more than four thousand. I beg to move the second reading of the Bill. The Hon. Mr. W. C. SMITH .- I beg to second the proposal. I am very glad the Government have brought down this Bill. There is no doubt it is important to consolidate all the Local Bodies' Loans Acts and to put them into one. There is also one other matter of great importance in it. In the original Act it provided that where part of a district raised a loan, then that part of the district, whether it had the means or not, was obliged to raise a rate and pay the loan out of it, whereas when the whole district raises a loan it can pay for the

<page:1112>

all parts of the district are treated alike. There are also one or two other amendments in it ; but I take this opportunity of saying that there is a very strong disappointment in the country because the Government

have not been able to get through this year the Local Authorities Act. The country people were in hopes that we should pass a Bill this year consolidating the county laws, and putting them in a better position. The municipal laws have been consolidated and put on a better footing, and the country people are anxious to be put on the same footing. There is also the question of voting. In municipal matters, if a man has property worth half a million he has but one vote ; but if he happens to live in the country, and has two or three thousand pounds' worth of property in different districts, he has three votes in each. Surely the town and the country should be put on the same footing in this respect. I hope the Government will see their way next session, before the county elections, to bring down a Bill dealing with the voting in country districts, and putting the people there on the same footing as those in the towns are at the present time. Bill read the second and the third time. COOK AND OTHER ISLANDS GOVERNMENT BILL. The Hon. Mr. W. C. WALKER .- This Bill embodies what is thought necessary in order to provide for the satisfactory continuance of government in the Cook Islands since they have been made part of the Colony of New Zealand. It was by the will of Parliament that the annexation or attachment of these Islands to New Zealand was consummated in the presence of His Royal Highness the Duke of Cornwall a few months ago; but really the Islands have been dependent upon New Zealand for most of their government, and certainly most of their light and leading, and, by a curious condition of things, the inhabitants of the islands are the first cousins, or cousins a very short distance removed from our own Maori fellow-subjects in New Zealand. The two people quite understand each other ; their customs are very similar; and therefore it is right and proper that the Maori race should, so to speak, be brought into one connection under the Government of this colony. The first thing that the Bill proposes to do is to continue the Ordinances, the local laws, and customs and usages at present existing there, qualified so far as they should be qualified-that they must not be repugnant to the general principles of humanity. But, so far as I know, the Natives of the Cook Islands have been quite accustomed to parliamentary procedure, and I have never heard of their interfering with law and order in any shape or form. They may sometimes have had to put the closure on, when debates in their Councils got a little hot, but that is not the only place I am aware of where that thing happens occasionally. Clause 3 points out the intention of the Bill- namely, that such laws as naturally apply to Hon. Mr. W. C. Smith served. The Courts of Justice are to be preserved, and they are to have an opportunity to appeal from their High Court to the Supreme Court of New Zealand, and thence to the Court of Appeal of New Zealand. The Government may from time to time appoint some fit person to administer the government in the said Islands, who will be called the Resident Commissioner. We have had the right of appointment of the Resident Commissioner in the Cook Islands since the year 1889, or a little before - I think, since the last year of the Atkinson Administration, when Mr. Moss was appointed. Since then, New Zealand has had the privilege of appointing a Resident, and of paying his salary. No doubt the fact of a New Zealand Resident being appointed has had a good effect, and has done something towards keeping up the connection between the Islands and New Zealand, and the Islands, as far as trade goes, are connected with New Zealand, and this connection has therefore done a great deal to facilitate-I will not say an annexation, because that means the absorbing by a superior of an inferior, but the attachment of those Islands to the Colony of New Zealand. Clause 6 gives the Government power to appoint a tribunal or officer to inquire into the Native lands and customs, and generally to assist in the settlement of titles to the land. Of course these are questions which always crop up in countries where the original tenure to the land is tribal or communal, and which civilisation has a tendency to develop into individual tenures. Generally speaking, the following clauses continue the existing government of the Islands. I have had the privilege of studying some of their State documents, and I think they provide for the payment of members of these Councils - Federal Councils, Island Councils, and Niue Island Council. There are a large number of Councils, but the pay provided is exceedingly moderate. Coconuts must be a cheap commodity in these

islands, and members of the Council must be very much more reasonable in their ideas of what they ought to receive than we are in this country. It looks at first sight, perhaps, that these Councils are too numerous, but, no doubt, the success of the government of these Islands very largely depends upon interesting all the Arikis or chiefs who have on their shoulders the responsibility of keeping the peace and maintaining the welfare of their different tribes. It is very much better that they should be brought in to co-operate, as they do now, by means of these Councils. Then, Sir, there is the matter of trade. Section 9 provides, -- "(1.) There shall be paid on all goods imported into the said Islands duties of Customs in accordance with the New Zealand tariff. "(2.) No drawback shall be paid in New Zealand on goods shipped to the said Islands. "(3.) All goods the produce or manufacture of New Zealand, and all goods on which duty has been paid in New Zealand, or which are admitted into New Zealand free of duty, shall

<page:1113>

and similarly all goods the produce or manufacture of the said Islands or on which duty has been paid in the said Islands shall be admitted to New Zealand free of duty." I think 10 per cent. was what they were charging before, and it was about sufficient to pay the annual cost of the charges of government. So there is no doubt but that they will be able to do the same now. I do not think that there are any other clauses in the Bill which require any explanation. The conjunction of these Islands with New Zealand was, by Act of Parliament, agreed to, and therefore I have no doubt Parliament will be perfectly willing to give effect to the administrative details that are necessary in consequence thereof. I beg to move the second reading of the Bill. The Hon. Mr. SCOTLAND .- When I read in the papers that the Mother-country had committed the stupendous folly of handing over the Islands mentioned in the Bill to be included in the boundaries of New Zealand, I could guess pretty well what would follow. I knew that a Bill something of this kind would very shortly make its appearance, and the Government certainly have lost no time in putting forward a scheme for the government of the Islands. I should like to know to whom the Government will look for enlightenment about these Islands -on whom is it to depend for information regarding the views of the natives on government from New Zealand ? The attempt to govern the Islands in their present state of civilisation after the manner of older countries is a perfect farce. It is like trying to fit the coat of a grown-up man upon the body of a small boy. They have got their own customs-they have got their own ideas as to how they ought to be governed. I may say that I have visited those Islands-not all of them-but I have spent many months, and very pleasant months they were, on the Island of Rarotonga. I was there on two occasions, and I suppose altogether I was there about eight months, and during that time I made a close study of the natives. Rarotonga was then, like the other islands of the group, under their own Government. Some people said that there was missionary government in the background. To a certain extent that was true-that is to say, their morals were looked after as well as could be. When I was there the missionary of Rarotonga was that great and good man who lost his life the other day at New Guinea, the Rev. James Chalmers. I was his guest on both occasions when I was at Rarotonga, and I saw the excellent influence which he exerted over the natives. There was no attempt at bullying or compulsion of any kind, and, indeed, it will not do with the Natives, because they will listen to your advice very patiently, they will answer you very politely, but somehow or other they manage to get their own way in the long-run, and in the quietest manner possible. And now, to whom does the Government look for enlightenment as to what experiments in the way of legislation are to be tried, and as to which of our laws are to be extended to Rarotonga ? Naturally to \--- very singular views-some Commissioners are rather singular - very apt to take fancies into their heads, particularly if they have not been brought up among the natives they are placed among, and to rather look with a paternal eye upon the natives as mere children who are to be dictated to, and that grandmotherly legislation, as the late Dr. Pollen used to call it, should be passed for their benefit. If the Government should-I do not say it will-but if ever it should be misled by advice of this kind it may be very bad for the natives, and certainly will not

have a tendency to make the New Zealand Government popular among them. I consider that our going to these Islands has not been for the good of the natives. They were getting on very well, and happily, under missionary government. I very much fear that very grand ideas will get into the heads of some of them, the Arikis and chiefs; and what will be the consequence? They will have magnificent notions, and there will be a very prosaic result-namely, they will get into debt. What will happen then? What has happened too frequently in New Zealand in former days? They will get deeply into debt with the store-keeper. How is the storekeeper to get his keepers' money? He and the land-sharks-land-sharks have their eyes upon those Islands already-will deliberate amongst themselves, and come to the conclusion that the native law against the alienation of land is stupid, and ought to be repealed as soon as possible-in fact that there should be free-trade in land. The end of it will be that in some evil hour the Parliament of this colony will be induced to pass a law repealing the Rarotongan law against the alienation of land, and then it will not be difficult to tell what the result to the natives will be. We have landless Natives in New Zealand unfortunately, and the same thing will be seen in the Islands. I see a very dangerous provision in this Bill. Clause 13 provides,- "(1.) The Governor may from time to time, by Proclamation, set aside Crown lands within the said Islands to be reserves for the purpose of Imperial or colonial naval or military defence, or any other specified public purpose. " (2.) Such Proclamation shall be conclusive evidence that the lands specified therein as Crown lands are in fact Crown lands for the purposes of this Act." Seeing the jingoistic spirit abroad in this colony at the present time, as the result of that abominable South African war, I say that is a very dangerous clause, and I am certain as to what is intended by it. If these Islands had required fortifying, would any one for a moment suppose that the Mother-country would have handed them over to New Zealand? Are they worth fortifying? Here is the power given to the Government to erect fortifications. It may be said that the Imperial Government will have to be consulted before that could be done, but in these days it seems to me clear what will be the result. It seems as if the colonies have only to ask, to have granted to them.

<page:1114>

would entail upon this colony, and what the moral mischief would be to the Natives. If there are fortifications constructed on those islands there must be men to man them. What a ridiculous idea. We do not know, in fact, when we once begin playing at soldiers and playing at fortifications, with the idea of posing as a great military power, what expenses we are running into, or where the thing will end. We see already how our expenditure for so-called defence purposes is mounting up in this colony. What will it be in the future when we keep garrisons on small tropical islands? The idea is ridiculous altogether. I repeat, if those Islands had been worth defending, as strategical positions, the Mother-country would never have handed them over to New Zealand. I consider the Bill an absurdity, and quite uncalled for. I have nothing to say about the other parts of the Bill. I do not see what good these Islands will ever be to New Zealand. As far as trade is concerned there is an intimate connection between the Islands and New Zealand, but I am quite certain that the natives will reap no benefit from the annexation with New Zealand, and that the only result that is likely to accrue to New Zealand is an increase in our annual expenditure. I think the Bill is quite unnecessary. I do not believe the opinion of the natives of Rarotonga has ever been asked about being put under the New Zealand Government, and, after having made inquiries, I think the natives have not derived any advantage at all from the connection. The Hon. Mr. RIGG.- Sir, the honourable gentleman, in opening his remarks, said we were trying to fit the coat of a grown-up man on a small boy. Well, there is nothing difficult in that. It may not fit very well, but it could be adapted. If the honourable gentleman had said we were trying to put the coat of a small boy on a grown-up man, I should have better appreciated the illustration, because it would have appeared we were trying to do something which was impossible. I regard the measure as one of the very greatest importance. There are many measures that come before us that are perhaps as important and as

far-reaching in their effects, but they deal with matters with which we have some intimate knowledge. But now we are taking a new step altogether, in endeavouring to provide a constitution for a number of islands - twelve or thirteen I believe - a thousand miles distant, having a Federal Parliament and local Councils, with peculiar native customs and usages, differing in many respects from those that obtain in our own islands, and with a feudal system to this extent: that the natives are under the authority of their chiefs or Arikis, as they are called, and have to render them certain personal service by way of supplying them with portion of the produce of their labour. That is what we are dealing with, and therefore we have the introduction of this measure. At first sight I was inclined to condemn the measure altogether and to say it Hon. Mr. Scotland feature of it is that everything that is to be done of any importance is to be done by the Governor in Council, or by the Governor, which means the same thing. But when I took the trouble to ascertain what guidance we could get from the history of native peoples which would enable us to deal with this matter in an intelligent manner, I was surprised to find that except in one country there is no model upon which you could base such a work as we are now attempting. What country that is I will say directly. But, before I do that, I wish to call attention to what we learn by reading history. We read of the colonisation system that has been adopted by the Spaniards, the Dutch, the French, the Germans, and the British, and in every instance we find a conquering people taking possession of the lands of the natives, and treating them in some cases with abominable harshness. There is a difference in this respect as regards one part of the British Dominions-namely, New Zealand-in that here you find a beautiful relief to the dark cloud in the considerate treatment meted out by the people in this land to the Maori race. Honourable members may think I go too far in saying that the British have in some cases treated natives abominably, but a reference to history will show that the practices of the Portuguese and the Spaniards in South America and Central America have been adopted in recent years by the South African Chartered Company in its raid on the Matabele. There is no instance in history that brings greater discredit on our race than the fact that a native people who trusted in our late Queen, and therefore gave concessions to Britishers to develop the mineral resources of their country, should have had those concessions sold to the Chartered Company, and that ultimately it should have led to the massacre of their race and the confiscation of all their property ; and, further, to a form of slavery under the name of the indenture system. So, the question we have to consider in dealing with this matter is how far a native people-I am speaking of the black and the brown races -are capable of self-government, and how far we should trust them with that power. If we take the Natives of New Zealand, who are amongst the most intelligent in the world, we may ask ourselves the question, with all our knowledge of them, Are they fit to govern themselves? I think the answer must be in the negative. An attempt is now being made by means of our Maori Councils Act and our Man Lands Administration Act, to give them a measure of local government they have never had before ; but it is still in the experimental stage. and we cannot answer the question in the affirmative until we have had some experience of the working of those Acts. And yet we are dealing with a number of islands containing different communities, and so we are taking upon ourselves a more difficult task than merely dealing with the Maoris of New Zealand. The only instance of successful self-government - and that successful self-government is only comparative-is to be found in the case of the African

<page:1115>

In the early part of last century the American Colonisation Company, at the instance of Clay and others, set up a colony on the west coast of Africa, which they called Liberia. It was a philanthropic attempt to bring about a better condition for these freed people, who were joined by others, and that Republic has been maintained to the present day. But it cannot be said it has been an unqualified success. It has not developed the trade it might have done. It has not paid interest on moneys it borrowed since 1874. As for the people themselves : we find that comparatively few of the children have gone to school. It is, however,

only fair to add that it has had great difficulties in contending with surrounding tribes. No doubt, for a time, under a Negro leader named Joseph, it made great progress, and the experiment was thought to be successful, but it has degenerated since that time. The next instances are the Republics of Santo Domingo and Hayti. One part of the island was in the occupation of the French and the other in the occupation of the Spaniards, and, without going too far into history, I may say the French took their slaves to help in the War of Independence in America, and those slaves, having tasted a certain amount of liberty, ultimately took the opportunity of freeing themselves. These two republics on the same island were one and the same for a time, but they could not agree, and the consequence has been that for a number of years past you have, on the western side of the island, the Republic of Hayti with its negroes speaking French, and you have on the eastern side the mulattos speaking French, and between the two there is a tract of land that seems to be the common battle-ground where they meet occasionally to fight out their differences. Probably, of the three republics I have mentioned, Santo Domingo seems to have got on the best, but even its success is very qualified. Therefore, when you come to consider the adaptability of the coloured races to govern themselves, these instances throw some light on the subject, because I think it would be admitted that the African-Americanised negro is a man of very considerable intelligence, and, if they have not made a very great success of their republic, we may ask, how much success can we expect from the natives of the Cook Islands, were we to give them a modified form of our government, and the addition of such assistance and advice and control as we may exercise from New Zealand? I think that is a fair question to put. Then, we come to another race-the East Indies. The form of government there is by a Governor-General, who has a Council of five or six, and this Governor-General, with his Council, makes all the laws. Under him there is a Secretary of State, with ten members, who carry on the direct work of the Administration. In some parts of India, where the territory is British, the control is direct; but in other parts, where the princes rule in their respective States, they are controlled by a resident officer, whose principal duty is to preserve the suzerainty of the British Government to guide us in dealing with the Cook Islands by referring to India. It is to the United States of America we must turn to find the only analogous instance I am aware of to guide us. I do not refer to Cuba or the Philippines or Porto Rico. There there has been a military power set up, which deals with those countries; but it is to the Hawaiian Islands that I wish to allude. We find that these islands were annexed by the United States Government at the request of the inhabitants; and we must remember that we are taking over the Cook Islands on account of a similar request. This was formally done by a resolution of both Houses of Congress on the 7th July, 1898. And now I would like the attention of the Minister to this, as I think that the course followed on that occasion might be of some use in guiding us as to our conduct on the present occasion. I need not go through the whole of the resolution, but I will take the more important clauses of it, which will throw light on the work we are attempting to do. The first section is that special laws are to be enacted for the government of the Islands. The next is that existing conditions are to exist until legislation is passed, and that the President may remove and appoint officers; but existing officers are held in office until such time as a change is made. The next is that existing treaties are abrogated and the treaties of the United States replace them, and municipal legislation not contrary to the Constitution of the United States, not enacted for the fulfilment of treaties so extinguished, and not contrary to the resolution, to remain in force till otherwise determined. The next is that Customs laws and regulations are to remain in force until legislation is enacted. The next, that the public debt liability is assumed by the United States so long as the existing Government and commercial relations continue, and the Hawaiian Government is to pay interest thereon. But, Sir, there is a limit to the liabilities taken over by the United States Government, which is four million dollars. And then there is this very appropriate clause, which is, that the President is to appoint five Commissioners, and that two of them are to be residents of the Islands, who are to recommend to Congress such legislation concerning the

Islands as they shall deem necessary or proper. Now, that is a clause to which I call special attention, because it seems to me that in dealing with the Cook Islands the only way you could obtain proper laws, and laws to meet the requirements of the Islands, would be by setting up a similar Commission. I come now to the provisions of the Bill before us. The first point which I desire to call attention to is that the Act is retrospective-that it comes into force from the 11th June previous. Well, I want to know what will be the position as regards Customs duties. under this Bill. The New Zealand tariff will operate from the 11th June, and this Bill is not yet passed ; how will the duties be re- covered, as between that date and the present time; or have they been taken in advance?

<page:1116>

consideration, and it might be advisable to amend the Bill so as to provide that the tariff shall only come into force in the Islands from the passing of this Bill. Then, the Native customs are to remain in force so long as they are not repugnant to the general principles of humanity ; but the New Zealand statutes are to be brought into force by an Order in Council on the part of the Governor, and any existing New Zealand law other than that which deals with alcoholic liquors may be brought in in that manner. Now, I call attention to this fact : that in the United States resolutions in regard to Hawaii there is no power there for any one to bring into force the legislation of the United States-that must be done by Congress ; but here we leave it in the hands of the Government to decide which laws are to be brought into force and which are not. I think that this is dangerous, and that no New Zealand laws should be brought into operation there until the question has been considered and the matter approved by resolution of both Houses of Parliament. Suppose, for instance, the Governor was to bring the electoral laws, which include women's franchise, or the labour laws, into force in the Cook Islands. It is not very likely that would be done ; the circumstances would be so strange that it would be almost impossible to carry them out; but the Government might make a mistake by introducing some other law without foreseeing the results, and the effect might be just as disastrous as introducing such laws as I have mentioned. I pass over those clauses dealing with the Supreme Court of New Zealand, and providing that a Judge of the Supreme Court may sit at Rarotonga, and that appeals may be made from them in writing to the Supreme Court, because I think all those are in the right direction. Also the proposal in clause 6 to set up a Court similar to our Native Land Court to deal with the land of the natives there. That, I think, is also a good provision ; but I would like to know, for I am not very intimate with the Islands, why the Federal Council, which is to control & certain number of local Councils, should not control the Council for Niue or Savage Island. That island is excluded from the control of the Federal Council. I dare say that can be explained, but I think that it is information we should have before us before we pass the Bill. The next most important clause, I think, is the 11th, which gives the Governor power, by warrant or order, to do certain things- that is, to appoint ports for the shipping or landing of goods ; and he may also prohibit the importation of arms, munitions of war, intoxicating liquor, opium, and other injurious Well, that is very proper ; but it will articles. `be seen that the Governor has power to delegate the powers under this clause to the Resident Commissioner. Then, I come to the section referred to by the Hon. Mr. Scotland - that is, section 13. Listening to the honourable gentleman, it appeared to me that he had misunderstood the meaning of the clause, for the lands to be dealt with are Crown lands, in the first Hon. Mr. Rigg naval and military reserve-for the use of whom ? For the use of His Majesty. In fact, if there is a naval station established there it will be an Imperial naval station, and not a colonial one, and so all the talk about enormous expense and burden we are throwing on the colony is unnecessary. Well, Sir, I support the measure, because it goes one step further in forming a proper system of government for these Islands, and I believe, if advantage is taken of the suggestion I have made to set up a Commission, that by the time we meet next session the Government will be able to bring down a much more-shall I say statesmanlike ? I think 80-a much more statesmanlike proposal than the present one is. The Bill is to remain in force only until ten days after the

next session of Parliament, so that so long as the powers given under the clause referred to, which enable the Governor in Council to introduce the statute law of New Zealand into the Islands, are not taken too much advantage of in the meantime, I do not think very much harm will be done. The Hon. Colonel PITT .- Sir, I think it is a very great pity that a Bill of this importance was not brought before this Council at an earlier period of the session. It will be in the recollection of honourable members that resolutions were submitted to both Houses of Parliament in the dying hours of last session, and Parliament was asked to give its assent to these Islands forming part of the Colony of New Zealand. It was represented to honourable members that the matter was one of some urgency, and we knew very well that a man-of-war was in the harbour with steam up waiting to convey His Excellency the Governor to these Islands immediately those resolutions were passed; and now in the preamble of this Bill we are told that His Majesty the King has declared these Islands to be part of the Colony of New Zealand with the assent of the General Assembly of New Zealand, testified by the resolution to which I have referred. Sir, I think a very wise thing was done in extending the boundary of New Zealand so as to include these Islands, and what we are doing now is a necessary consequence of the action then taken. These Islands forming part of the Colony of New Zealand, it is certainly necessary that we should, by some Act, say what laws of New Zealand are or are not to be in force in the Islands. And the measure is necessary to be passed in order to keep in force the local laws, customs, and usages of those islands. I know that in the State of New South Wales, when the Federation Commission was sitting there, one of the strongest reasons given by those who gave evidence before the Commission as to why New Zealand should join the Commonwealth was that her joining was desirable in order to prevent friction in respect to the trade of the Pacific Islands. Therefore those who contend that a wrong step has been taken in adding these Islands to New Zealand do not, in my opinion, take a very statesmanlike view of the situation, because the people of Australia regard

<page:1117>

as a very important matter. It was thought its importance demands that it should possibly in the future, unless New Zealand joined the Commonwealth of Australia, to learn that this question is recognised as an important question, because if we were not to do so, friction would arise in reference to the trade of the Pacific Islands. However, Sir, the Government recognise it as an important question, and the declaration of His Majesty the King in declaring that the Islands should be part of New Zealand in time, in a sense, in retaining our ancestral connections with these Islands. At the same time the tendencies of the Europeans, at any rate in Fiji, were that they should federate with Islands, and the mode adopted in this Bill, New Zealand; but no sooner was that mooted I take it, is the proper one—namely, that the laws of New Zealand obviously not adapted to prevent it. Now we see in the last day to the Islands should be declared not to be in force, and that the Commonwealth of Australia force there, and that the local laws and usages have come to the conclusion that it will annex the Islands should remain in force. I should like to ask the Minister one or two questions. The first is as to whether the Government have decided these Islands with New Zealand, apart from the sentimental fact that these are the laws of the Islands as are written laws; and, if so, I would suggest that they should be printed, and should be available for perusal by us, or by some branch of the British use of members of Parliament, in order that they would inevitably fall into the hands of a foreign race, and would be a perpetual menace to us. We know that if we had not in section 6 of the Bill. Section 6 provides:—urged the Colonial Office to take action they "The

Governor, by Order in Council, may probably would not have taken action at all. Therefore we have been very fortunate in the from time to time establish a tribunal or ap- point an officer or officers, with such powers last two years in being able to get these Islands and functions as he thinks fit, in order to ascer- annexed to us. I am sure it will be for their tain and determine the title to land within the own good. I am sure they will be governed as said Islands, distinguishing titles acquired by well as they ever could be. But, for the benefit native customs and usage from titles other- of New Zealand, it is of inestimable benefit to wise lawfully acquired ; and may provide for know that no foreigners will ever get in there the issue of instruments of title, and generally and be a menace to us. Therefore, from a make such provision in the premises as he strategical point of view, I consider that this thinks fit." is a matter that we should look upon as of the I should like to ask the Minister what is the first importance. Next, as regards the inhabi- object of that section. Is it intended to tants, I do not think that, with a Government so familiar with the ways of the Maoris as our enable the natives to deal with their lands Government is, any officer who is sent down and to sell them ; because, if so, I venture to say that a very great mistake indeed will be there to act as Commissioner is ever likely to forget the lessons which he must have learnt made. The Government have an opportunity, in this country, otherwise he would not be with reference to the land in these islands, of selected for the position. A man who is fa- avoiding the confusion which has arisen from miliar with the ways of the Maoris, and with time to time with reference to the lands of the Natives of New Zealand. Here is an oppor- their kindly adaptation to European customs and education, is bound to make a good Ad- tunity for the Government to provide, in the administration of the lands of the Natives in ministrator among a similar people. There- fore, I think it is quite safe to say that the the Islands, for the benefit of the native owners. There can be no harm in the titles being indi- people of the Cook Islands will be treated in the very best way possible. The Hon. vidualised ; but what I venture to suggest is that the law should be so framed that the Colonel Pitt has asked about the Island laws. I understand that copies of them are in the native owners should have no power to sell Assembly Library. I am quite certain that their lands. We all know the reproach against the question of the title to the native land will New Zealand made by the Governor of Fiji, as a reason why Fiji should not be annexed to be dealt with satisfactorily. Then, their cus- New Zealand. The natives were told that if toms, their traditions, and their unwritten law as regards descent and succession to property is Fiji were annexed to New Zealand the white a very important question, and will have to be man would have their land. I trust it is not considered. Certainly the earth-hunger of the intended under clause 6 that the natives shall white man will not be encouraged. It is ad- have power to sell their lands. I look upon mitted, on the face of it, that it is a temporary this statute as merely a temporary one, as the Bill. It is a subject we had to deal with, Hon. Mr. Rigg has said. I trust that by next session a more comprehensive measure will be because, with the approval of Parliament, these Islands were annexed ; but it is admitted to be submitted to Parliament for its consideration ; and I hope it will be introduced at an early only a temporary Bill, and I feel quite certain period of the session, in order that members that next year, with the knowledge the Govern- The Hon. Mr. W. C. WALKER .- I am glad

<page:1118>

with this matter more fully. I have always urged that the first attempts to assist in go- vurning these Islands should be very largely of a tentative nature. Still, I can promise that next year other measures will be brought down dealing with this question. I beg to move the second reading of the Bill. Bill read the second time. GOVERNMENT RAILWAYS DEPART- MENT CLASSIFICATION BILL. The Hon. Mr. W. C. WALKER .-- Sir, I beg to move the second reading of this Bill. The Go- vernment Railway service, as we all know, is a classified department, and experience has shown the department during the last couple of years that certain amendments should be made. The purpose of this Bill is to meet some of the live questions in the service. I therefore beg to move its second reading. The Hon. Mr. JENKINSON .- I do not

want to delay the passing of this Bill. It is of so much importance to so many men that I think it would be a great pity to in any way endanger its passing ; but there is one question I want to bring before Parliament in connection with the Railway service. Clause 24 of the Bill bears indirectly upon it. It is the question of compensation to railway officers on leaving the service. Subsection (b) of that clause deals with it, as I said, indirectly. It says,- "(b.) If the services of any such person are dispensed with through any fault of his own, he shall not be entitled to any such compensation ; but if, without having committed any such fault, his services are dispensed with by the department, or he desires to retire from the service of the department, he shall then receive such compensation for loss of office, calculated up to the date when his appointment and transfer to the Railway Department took effect, as he would have been legally entitled to had he ceased to have been in the Civil Service on such date : Provided that no such person shall be allowed to retire voluntarily from the service unless he gives three months' previous notice to the Minister for Railways of his intention so to do." It is on this question of compensation that I want to say a word or two. I am not finding fault with it at all, but the position at present is that, if a railway servant leaves the service, voluntarily retiring, he is entitled to compensation, but in the case of a person dying while in the service compensation is not payable to his heirs. This position has been somewhat painfully illustrated in one or two cases. In one case I know, a railway servant was very ill. He was not expected to get better, and he thought for the benefit of his wife, should he die, it would be better for him to resign his position in the Railway service, so that she would be entitled to receive his compensation. He did so, and subsequently got better, and found himself out of employment. It seems to me that it is a wrong position to put a man in, to say that should he voluntarily retire from the service he shall get compensation, Hon. M. W. C. Walker I think one or two words in the section would put that all right ; but I do not wish to endanger the Bill. I hope the question will be taken up by the Minister, and that persons dying will have compensation paid to their widows, as it would be paid to themselves in the event of resignation. In the event of the Superannuation Bill coming before Parliament and passing this may not be necessary, because then the Superannuation Fund will be available ; but at present it is the case that, while a railway officer can claim compensation if he retires, if he dies his wife cannot receive it. That is the only point to which I wish to draw attention. I give the Bill my hearty support. --- The Hon. Mr. JENNINGS. - Sir, I only wish to say a few words. I fully realise the Bill will not reach the full expectations many railway servants have formed with regard to it, but I think the Bill will generally tend in a direction that will ultimately bring good results to the Railway service and those employed therein. I have received communications from persons connected with the Railway Department employed in various parts of the colony with regard to this Bill, and, on the whole, they appear to be satisfied with it. It will not please every one-that would be impossible ; but the general result will be beneficial. It will enable us, in another year, to find out what faults there are in the classification and grading, and we may be able to so amend it as to make it more satisfactory than it is at the present time. I cordially support the Bill. I believe it is entirely in the right direction, and that certain grades in connection with this big public service of the colony will be placed in a better position than they occupy at the present time. The Hon. Mr. W. C. WALKER .- Just a few words in reply. Of course, it is very proper and fitting that the public servants should be adequately paid, and therefore that their classification and position in the service should be secured to them, and that any compensation should be also assured to them. In a large service such as the Railway service consideration of this kind is required, because it is not only satisfactory to the individuals who benefit by the provisions, but it is also an assurance to the general public, who are the beneficiaries of their services, that the service is encouraged. and that it is likely to be a good and efficient one. I do not know that I could go quite as far as the Hon. Mr. Jenkinson with reference to clause 24. No doubt it is a very hard case. but I think the facts mentioned show how considerate the Railway Department is in endeavouring to meet such cases. According to his statement, they allowed a man who

was in articulo mortis to hand in his resignation in order to secure the payment of compensation to his wife. When the man recovered he was out of employment, having received his compensation. There are other cases of somewhat similar character in the public service, some of which I know about. Some of the older officers in the public

<page:1119>

at an advanced age, and perhaps in bad health they can claim a pension, but sometimes they think it much better to get a lump sum down. The Government is very reasonable, and these cases are all dealt with on their merits, and I do not know of any rule which will operate beneficially in every case. At all events, the railway servants are, as a rule, very fairly treated, and I am sure that this Bill proves that there is a desire to show them every consideration. Bill read the second time, committed, and reported. The Hon. Mr. W. C. WALKER .- I move, That this Bill be now read the third time. The Hon. Mr. JENKINSON .- Sir, before you put that I should like to say one word of thanks on behalf of the railway men, and partly on behalf of myself, for the very kind and considerate manner in which the department and the Minister have met the request of the railway servants in regard to the classification we have now passed. The Minister was good enough to invite the executive of the Railway Servants' Society to come to Wellington to discuss the matter with him, and there were other representatives of trades working in the railway workshops also sent as delegates to Wellington to try to alter one or two of the classes that had been introduced into the Bill. In almost every case where the railway men consider they had been hardly dealt with both the department and the Minister gave the utmost consideration to the representations, and in many cases altered the classification to suit the requirements of the men. On the third reading of the Bill I think it suitable that I should thank the Railway Department and the Minister for this consideration, more especially at this time, though almost always consideration has been shown to the men, and in several instances alteration has been made in the classification ; although the classification had been based on experience, yet, on hearing the statements of the men, the classes were altered to a certain extent to agree with the views of the men. The Hon. Mr. T. KELLY .- There is a note of dissatisfaction in my honourable friend's observation that the men did not get all they asked for. Well, I understand this will cost the colony £30,000 a year. What I would impress upon the Council is that I think the railway servants are treated with extreme liberality. The working-men in the country-that is, the farm labourers-get nothing like the consideration ; and, instead of speaking as he did, I think the honourable gentleman ought to have said that the Government have been liberal in their treatment of the railway men. An Hon. MEMBER .- That is what he did say. The Hon. Mr. T. KELLY .- There was a note of discord in his remarks. He said that they did not get all they wanted. I recognise that the railway servants have to perform very arduous duties, and that they have great responsibility ; but we must bear in mind that they can only be paid in accordance with the rate of wages ruling in the colony. I may say a splendid organization, and that the farm labourers have none, and therefore the latter have not the same means of bringing their grievances under the notice of the Government. The Hon. Mr. W. KELLY .- I cannot agree with my honourable friend who has just sat down that the farm-labourers and farmers have no organization. I think the only farm-labourers who can come to the Government and ask for a concession will be those in Government employment. The honourable member has said that the concessions made to the Railway Department will cost the colony £30,000 annually. I look upon that as something extensive, but as long as the colony gets an adequate return for it I have no objection. I know that the railway employés all over the colony, especially in that portion with which I am best acquainted-that is, the Newmarket railway employés, near Auckland - have been complaining that they were not getting sufficient wages. If they get an increase in their wages I think they deserve it, and I am only too pleased to think that the concessions which have been made have given satisfaction to them. The Hon. Mr. PINKERTON. - I desire to mention a case of a railway employé in Dunedin who was injured in the railway service, and the department

offered him the miserable dole of £25. I brought the case under the notice of the Minister, and I hope my honourable friend the Minister of Education will also bring it under the notice of his colleagues. I think that £100 is the least this man should receive. The Hon. Mr. BOLT .- I think the farmers have very little to complain of in the way they are treated by the Railway Department. They have been given a great many concessions. They get manure carried at a very cheap rate, and also their produce. The farmers also get instruction from the Agricultural Department gratis on a great many matters affecting their interests, and altogether they ought to consider themselves very well treated. An Hon. MEMBER. - They keep the colony. The Hon. Mr. BOLT .- They may do so ; but this would be a very poor colony if its population was simply made up of farmers and agricultural labourers-in fact, it would be a sort of Tom Tiddler's ground, with little life and less wealth. I think the farmers are not sufficiently generous to acknowledge the great advantages that they are getting from the railway system. If they appreciated those as they deserved to be they would be more liberal than they are on many occasions. The Hon. Mr. JENKINSON .- As a matter of personal explanation, I would like to say that I did not want for a moment to complain of the treatment the men had received. Quite the opposite. I was only too pleased that they had received such consideration. How the Hon. Mr. T. Kelly construed my remarks into a complaint that they had not got all they asked for I cannot understand. I never expected they would get all they asked for, and I think they were remarkably well treated. The Hon. Mr. T. KELLY .- I want to ex-

<page:1120>

impressed my mind with the idea that he had a grievance against the Government because the men had not got all they asked for I would not have risen. The Hon. Mr. TWOMEY .- I think the utterances of the Hon. Mr. T. Kelly with reference to agricultural labourers were misunderstood. The impression conveyed to my mind by his utterances was that the agricultural labourers were not organized like other people and other trades, and consequently they were utterly neglected. Very well, I think that is absolutely true; but the agricultural labourers after this session will have no ground to complain against the Government or the Parliament of New Zealand. If they like to organize and insist upon getting proper recognition of the value of their labour they can take the same means that other people adopt to get proper wages and proper consideration in every respect. There is no doubt, too, that the Hon. Mr. Bolt is perfectly right in saying that the present Government has behaved in a very friendly manner towards farmers and towards agricultural labourers. They have settled a great many of the latter class upon the land, and put into positions of affluence men who were practically penniless. That is within my own knowledge. Now, as regards farmers, what has the Government done for farmers ? The Hon. Mr. JENNINGS .- I do not wish to interrupt the honourable gentleman, but what has this to do with the Railways Classification Bill ? The Hon. the SPEAKER .- I was wondering . what the honourable gentleman was discussing. The Hon. Mr. TWOMEY .- I have only followed out the beaten track before me, and it looks very invidious that two or three honourable gentlemen have been allowed to follow this same path and my doing so is objected to. If I am wrong, then two or three others who have preceded me have been wrong and no notice was taken of it. That is what I object to, Sir. If you rule me out of order I, as I have always done, will obey your ruling. As it is drawing late I will not persevere. I happen to belong to an agricultural district, and this is one of the things I understand. I do not think the honourable member has any right to call me to order. I think he might have allowed you, Sir, to be the judge of whether I am in order or not. The Hon. the SPEAKER .- The honourable member must confine his remarks to the Bill. The Hon. Mr. TWOMEY .- I submit that the classification of Civil servants is not a good system, for the reason that it does not afford proper incentives to officers to raise themselves in the service by merit, and thus the State does not get the best services of the best men. The State ought to have the services of the cleverest of our employés, who should be placed in the foremost positions. Classification militates against that I am very glad to say that this Bill widens the opportunities of the employés in the lower grades and the clever officers to come to the front.

That will be one of the Hon. Mr. T. Kelly consequently, I think that this is a great improvement on previous legislation. The Hon. Mr. W. C. WALKER .- There has been so much heterodoxy talked about farmers and the railway servants that I am almost inclined to make a speech, but at this time of night I think I had better not. I must, however, make a remark or two with respect to the farmers, and as to how much they are helped by the railways. The railway servants have got a great many privileges which the farmers have not got. It is, however, like the old fable of the belly and the other parts of the body. If we quarrel one with the other what will be the result ? We must all pull together. I do not say that we should not endeavour to get what benefit we can, but if the farmer is thriving the railway servants should get some consideration, and therefore you must not grudge the railway servants getting a small rise when the authorities think they ought to get it. When one portion of the service is endeavoured to be assisted and placed on a better footing, then some other section of the community immediately demands that its position should be improved. I remember the old signboard in the Home - country known as the "Five Alls," representing the King, a soldier, a clergyman, a barrister, and a farmer, with the legend below: "I govern all; I fight for all ; I pray for all ; I plead for all ; I pay for all "-the last under the figure of the farmer. Well, that is an old superstition. We are better learned now ; and I am quite sure that it is of no use trying to set one class against another, or to suppose that if our railway servants are badly treated our farmers will be any the better served. Of course, farmers have their rubs and their troubles ; we all have. If they had not their rubs and their troubles they would not be as good men as they are-or as their wives are either. We always hope that better times are coming. I think they have fairly good times as it is, but we all look for better. I do not think there is any reason to bring up this question of farmers against railway servants. Railway servants work every hour of their lives in the public service, many of them at the risk of life ; and I may say that in all my experience I have never met with a railway servant in the colony who was not courteous, intelligent, and pleasant, and who was not willing to give the public what service ought to come from a man in his position. Bill read the third time. CITY OF AUCKLAND LOANS CONSOLIDATION AND AUCKLAND CITY BORROWING BILL. On the motion, That the Bill be committed, The Hon. Mr. T. KELLY said he wished to ask the honourable gentleman whether he was prepared to limit the rating-power of the City of Auckland Borough Council to that allowed by "The Municipal Corporations Act, 1900." At present, if the Bill was passed as printed, it appeared to him that, as the Bill appeared to

override "The Municipal Corporations Act,

<page:1121>
1900," there was no limit, as far as he could see, to the rates which the Auckland City Council might levy. The Hon. Mr. JENNINGS said, in answer to the Hon. Mr. T. Kelly, that he proposed to submit in Committee the following amendment : " In line 11 of the preamble, after the word 'power,' to add the words ' conferred by ' The Municipal Corporations Act, 1900.'" This would place the rating of the City of Auckland in the same position as that occupied by other Municipal Corporations throughout the colony. The Hon. Mr. T. KELLY said that would satisfy him. The Hon. Mr. W. C. WALKER asked if it would be sufficient to put those words in the preamble. Should they not be put in the enacting part of the Bill ? The Hon. Mr. REEVES said he had received a telegram from the late Mayor of Auckland, a man of influence there, Mr. David Goldie, which said,- "Auckland ratepayers desire that a poll be taken before rating restrictions removed. Kindly assist to give effect to this in Bill before Council." He would ask the honourable gentleman if he could comply with that when the Bill went into Committee, because it seemed a strange thing to him that the Auckland people should have this Act thrust down their throats without the ratepayers being consulted by taking a poll. The Hon. Mr. JENKINSON thought he ought, as Chairman of the Petitions Committee, to state that they had received a number of petitions from the ratepayers of Auckland protesting against the Bill being passed unless they had the power mentioned by the Hon. Mr. Reeves. He did not know if the Hon. Mr. Jennings was prepared to say that power had been provided. So

far as he could see, the prayer of the petitioners had not been granted, which was that they should not allow this alteration to take place without a poll being taken. The Hon. Mr. JENNINGS said he desired to answer the Hon. Mr. Reeves and the Hon. Mr. Jenkinson. He might remark that on the second reading of the Bill he had explained that a poll of the ratepayers had been taken in the City of Auckland upon eight different pro- posals, and that five of those proposals had been agreed to by a large majority of the ratepayers. That poll, as expressing the views of the ratepayers, necessitated a loan of £60,000 to carry out the works scheduled for the im- provement of the City of Auckland. He had presented a number of petitions praying that the removal of this limitation should not take place; but, judging from the fact of a poll having been taken, he thought it was not right to have the work already done in getting an expression from the ratepayers upset. He would leave it to the Council to say whether the addition of the words in the preamble which he proposed would not protect the ratepayers from an imposition of rates over that allowed and provided for by the Municipal Corporations VOL. OXIX .- 70. Act of last year. When they came to the matter he would be prepared to discuss it in Com- mittee. Bill committed, reported, and read the third time. The Council adjourned at half-past eleven o'clock p.m. # HOUSE OF

REPRESENTATIVES. Monday, 4th November, 1901. Bills Discharged-Factories Bill-James Beattie-Midland Railway Company-Revenue Returns -Railways Authorisation Bill - Payment of Members Bill. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. BILLS DISCHARGED. Public Health Bill (No. 2), Government Rail- ways Superannuation Fund Bill, Government Railway Servants Superannuation Bill, Food Trusts Bill, Medical Practitioners Bill, Hospitals and Charitable Aid Boards Election Bill, Sale of Preventives Prohibition Bill, Second-hand Dealers Bill, Stud Bill, Products Export Bill, School Attendance Bill (No. 2). # FACTORIES BILL. A message was received from the Legislative Council, forwarding amendments made by the Council in this Bill, in which they requested the concurrence of the House. Mr. SEDDON (Premier) moved, That the amendments be disagreed with. Motion agreed to. The following were appointed a Committee to draw up reasons for disagreement: Mr. Seddon, Mr. Hutcheson, and Mr. Millar. # JAMES BEATTIE. Mr. PALMER brought up the report of the Mines Committee on the petition of James Beattie, and moved, That it be referred to the Government for consideration. Mr. McNAB (Mataura) said some of the streams through the petitioner's property were utilised in connection with a fellmongery. The law made provision under which an application was made to the Commissioner for Crown Lands for the right to get a certain quantity of water from the stream. When the legislation was passed under which this provision was made no provision was made for appeal against the decision of the Commissioner of Crown Lands. After the right had been obtained, the petitioner had sought to appeal against the decision. First the case went before the Warden's Court, and the Warden held he had a right to reverse the decision. It was subse- quently taken to the Supreme Court and to a Judge, who held that he had no jurisdiction to reverse the decision of the Commissioner. He (Mr. McNab) had brought the matter up before the Goldfields Committee, with the result that

<page:1122>

vision was made to remove the defect from the legislation. In the meantime the petitioner had come before the House asking for compen- sation for the loss he had sustained in connec- tion with law-costs and other things, through the House giving no right of appeal. He hoped the Government would, in accordance with the report, give every consideration to the report of the Committee, and, if possible, place a sum on the supplementary estimates to recompense him for the expense he had been put to through the error of the Legislature in omitting to insert a right of appeal from the Commissioner of Crown Lands. Motion agreed to. MIDLAND RAILWAY COMPANY. Mr. FISHER (Wellington City) 3.0. brought up a report from the Public Accounts Committee on the petition of the Midland Railway Company debenture-holders and the shareholders in the Midland Railway Company, and moved, That the report be read by the Clerk. Motion agreed to. The CLERK then read the report, which was as follows : - "The

Public Accounts Committee, to whom the above-mentioned petition was referred for consideration, have the honour to report as follows :- "That, although the colony has received injury by the non-completion of the contract and the action of the debenture-holders, and notwithstanding the colony's proved legal rights, still in consideration of the losses the debenture-holders and shareholders of the Mid- land Railway have sustained, and taking into the computation all moneys that have been paid by the shareholders of the company pursuant to demands made by the Crown, and also all profits that have been derived from the working of the open sections of the railway during the period between the seizure and the vesting in the Crown, the Committee have the honour to recommend that the sum of £110,000 be offered to the Receiver for the debenture- holders, on condition that he gives a receipt on behalf of the debenture-holders setting forth that the colony has dealt equitably and justly, and that he is fully satisfied on their behalf. " That a sum of £20,000 be offered on similar terms to Mr. Dalston on behalf of the shareholders. "That a Bill be passed this session to give effect thereto, with such condition as may be deemed advisable to completely safeguard the interest of the colony. " That each debenture-holder and each share- holder shall give a receipt to the Receiver and the Attorney for the company for the money, stating that the colony has dealt equitably and justly with him, and that he is fully satisfied. "GEO. FISHER, Chairman. "4th November, 1901." Mr. FISHER .- Mr. Deputy-Speaker, I am in this anomalous position : As Chairman of the Public Accounts Committee, I am asked Mr. McNab to bring a report from which I totally dissent. I feel bound to say, thus early, that the whole subject has been most dispassion- ately discussed by the Committee, that there have been no unpleasantnesses of any kind-of course it is unnecessary to mention this-that the Committee have given the utmost attention to the subject. I find myself in a minority; but as I hold strong-indeed, extreme-views upon the question, I find myself in a position from which I decline to recede. The petitioners have approached this Legislature as suppliants, it is true, but I wish the House to pay pointed attention to that attitude of the petitioners. for they only assume the position of suppliants now, after having exhausted every possible means in their power to do the greatest possible damage to the credit of this colony in England. If these petitioners-I am referring particularly to the debenture-holders-were not persons of extraordinary influence in England this peti- tion would never - could never - have been presented to this House. If they were ordi- nary persons, having no more than ordinary rights, this Legislature, I am sure, would not entertain their claims for one moment. I need not enter into the early history of the company. It is too late to do that. But I say that it is quite impossible for the people of this colony, or for the members of this House-and I speak, of course, without the least disrespect -- to discuss this report or to under- stand the findings of the Royal Commission without the very closest study. I ask, then, How is it possible for people who have not the report of the Commission in their hands, who have not the intimate knowledge which the discussion of such a subject demands, to form a sound and just opinion in regard to the right. fulness of this claim ? As I have said, I will not go back to the origin of this company. ex- cept to say that I have opposed the company and all its works from the year 1884, when the proposal to construct the Midland (Eas: and West Coast) Railway was first made -in the year 1884, when Sir Julius Vogel and Sir Robert Stout floated into political power on the strength of that scheme. Si !. I speak without the least warmth of feeling in regard to the subject, but I cannot refrain from saying that from first to last I have regarded the scheme as a gross political job, and now, at this late day, we are reaping the fruits of the proposal which, for political purposes, was inflicted upon this colony by Sir Julius Vogel. aided by Mr. (now Sir Robert) Stout. Well. I have said that if it were not for the fact that these petitioners are persons in a position to exercise extraordinary influence in England. their proposals would not be entertained for one moment. Now, who are these men who peti- tion the House? They are men who move in authoritative and influential circles in England, and they attempt by dubious means to compel this Legislature to pay a large sum of money which the representatives of the people of this colony ought to refuse to pay. We have Sir Thomas Salt, the

chairman of
<page:1123>

some of the most important financial institutions in England ; Mr. Brodie Hoare, a director of Lloyd's Bank (Limited) ; Mr. Walter Chamberlain, brother of the Right Hon. Joseph Chamberlain, Secretary of State for the Colonies ; Lord Avebury (better known as Sir John Lubbock), a most eminent financier; Lord Eustace Cecil, son of Lord Salisbury ; Mr. Trotter, the trustee and general manager of the London Stock Exchange; and many other influential gentlemen. Now, these gentlemen are the petitioners. These are the gentlemen who have put this colony to such enormous expense in contesting the rights of the colony and the rights of the colonists against stringent and extraordinary claims made by men who, first of all, have no claim, and have no right to pursue this colony in the way in which they have unrighteously pursued it. Quoting from Mr. H. D. Bell's very able speech before the Public Accounts Committee, which will be found in Parliamentary Paper, L . - 11, 1900, the position of the Midland Railway Company is thus laid down :- "Suppose a railway company contracts under the Act to construct a line from point A (which must connect with a Government line) to point D, passing through points B and C. The company finds that the railway from B to C can be easily constructed on the level, but that from A to B and from C to D there are expensive engineering difficulties. Further, it finds that the railway from B to C will, when constructed, be run at little working-expenses, while between A and B and C and D the working-expenses will be abnormally high ; and that the line from B to C will pay some interest without the connections, and a high rate if the connections are made. It therefore constructs only the section of the railway from B to C, gets a free grant of the land on which it so constructs it, and takes its full land-grants in aid on the estimated cost of that section, selecting of course the best of all the land set aside, and then turns to the Government and says, ' We have finished, and shall do no more. The line from B to C is ours; and you can go on and finish from A to B and from C to D at your own expense, and provide traffic for our line. The railway from A to D will be broken into three parts, of which we own the middle, and you must pay us toll at both ends.' That is precisely and exactly the position which the petitioners assert they are entitled to maintain. Early in 1886 the New Zealand Midland Company was formed with a capital of £500,000 ; a first issue of shares to the amount of \$250,000 being made. Of course, the company had the usual power to increase its capital from time to time. Considering that the contract work was estimated to cost £2,830,000, it is obvious that in its initiation the company made no proper provision of capital, and the Committee will find that that non-provision of sufficient capital by the company, beginning then and continued afterwards, is the reason, and the only reason, why the contract work has not been carried out. They contracted to find the money to complete the railway. They did not find it ; and they have sought, and are seeking, to make the colony answerable for the consequences of their default." At another stage it was urged that the company entered into the contract relying upon what they had read in the newspapers and upon the statements of public men. How was that statement borne out? In the report of the first meeting of the company, held on the 16th November, 1887, the following statement appears :- " The construction of the railway was commenced on the 24th January, 1887, and the works have been making steady and satisfactory progress. "Since last general meeting the Deputy Chairman, Mr. E. Brodie Hoare, has visited New Zealand, and has inspected the country through which the line will pass, in company with members of the committee of advice in New Zealand, the engineers, Mr. H. Alan Scott (the manager), and others, and was well satisfied with the progress of the railway as an undertaking, and also with the value of the land to be granted to the company." Yet it is still suggested that the company entered into the contract relying upon what they had read in the newspapers, and what public men had stated in the colony. Now, Sir, I will at this stage make reference to the charges-the atrocious charges, as they have been correctly designated - brought against this colony in the name of the debenture-holders. It is through the influence exerted by these influential men that the Stock Ex-

change was moved to damage the name of this colony, and to injure its credit on the Stock Exchange. If the petitioners complain that the debenture-holders and the company were in any sense misled, I answer that Mr. Brodie Hoare visited this colony, as the report just quoted shows, and was satisfied with what he saw. It is too late, therefore, for him to come to this Parliament now and say that the company was misled, and that they did not know what they were doing. They have made charges against the good faith of this colony which have cost this colony large sums of money. The Colonial Treasurer, who is the Premier of this colony, is not in a position to deny - I demand from him, and he must admit that, through the representations of these gentlemen in England, through the charges which they made against this colony on the London Stock Exchange, they have cost this country no less than £10,000 a year for forty years; and, having by their representations on the Stock Exchange, damaged this country to the extent of £400,000 in that way, they now come here as suppliants and ask that this money which the Committee has agreed to give - namely, £130,000 - shall be paid to them, and that demand is coupled with the threat - at all events, there is the apprehended danger - that if we do not pay these petitioners this £130,000 they will continue to blackmail the colony until they succeed in enforcing their demands. I ask this Parliament if it is content to sit idly by and allow

<page:1124>

the leading men of England, to say that they will continue to blackmail this colony unless this money is paid to them. I believe this Parliament will not do that. I believe it to be impossible. I propose now to refer to some of the charges made against the colony in the petition presented by the debenture-holders to the Stock Exchange while litigation was pending, and while the case between the Government and the debenture-holders was on its passage from the Supreme Court through the Court of Appeal of New Zealand to the Privy Council. They asked the Stock Exchange to refuse to give a quotation for New Zealand stock; and all this was being done while the case decided against the debenture-holders was in process of appeal from the Supreme Court of this colony through the Court of Appeal to the Privy Council. It was a direct attempt to coerce the Government. So that they not only petitioned the Stock Exchange with a view of coercing the Government in the conduct of the litigation, but they openly boasted of having succeeded. Of course, they were mistaken. In the petition they said, - "That, certain questions having arisen between the company and the Government, the matters in dispute were referred to arbitration in the month of November, 1895, but that the debenture-holders took no part in the arbitration proceedings. "That the Government will no doubt seek from time to time to raise further loans in this country for the purpose of railway construction, and in that case would apply to the Stock Exchange, London, for an official quotation in respect of such loans. "That the Government have permitted the provisions of the colonial Act to be used as representing that subscribers for debentures created by the company would have the benefit of a first charge upon the railway and everything pertaining thereto." The Government had nothing whatever to do with the issue of the debentures, and the people who took them up must have known, or should have contemplated, that the Government had the powers conferred by the Act of 1881. They must have known of the existence of that Act. The petition to the Stock Exchange goes on to say, - "That it is inexpedient and impolitic in the interests of investors that any Government acting in the manner aforesaid should, in the meantime, be afforded facilities for raising public loans in the money-markets of this country, or that they should receive assistance in so doing from your Committee, and your petitioners therefore respectfully urge that the advantage of an official quotation should be withheld from any loans which may be hereafter issued by the Government in this country." The Government of this country had nothing whatever to do with the issue of these debentures, and the Agent-General called the petition to the Stock Exchange "an amazing proposal." Mr. Fisher Stock Exchange was that the credit of the colony was greatly injured, and the colony had suffered to the extent of £400,000. Mr. Bell's address to the Public Accounts Committee (11, 1900), which is

worthy of the attention of every member of the House and of every citizen of this country, shows that the claim has no legitimate foundation. The company boasted of having succeeded in their effort to coerce the Government and in the steps they took to influence the Stock Exchange; and, having used every fair and unfair step to injure this colony, they now appeal to this Parliament as suppliants. The reply one has to combat is that the colony took possession of a line built or constructed by the company. Now I will read that portion of Mr. Bell's address to the Committee which deals with this particular point. It is headed "Part V." of the Public Accounts Committee's report of last year, and is as follows :- "V .- The reply to the claim that, with the money of the company and of the debenture-holders, a part of a public work has been constructed which has passed to the possession of the Crown, and that the Crown in fairness ought to pay the value of it." Mr. G. W. RUSSELL .- Whom did he appear for ? Mr. FISHER .- For the Government ; and why not ? He goes on to say :- "I now turn to the other class of claim. This claim is founded, as I have already indicated, upon the assertion that we have the railway without cost to the colony. They say, ' The company has failed to complete their contract, and the debenture-holders have lost their money, and the Government has the railway, and is going to complete it. Therefore you should pay us for the money which we have expended on the line.' Assuming that to be a fair and equitable basis on which to found a claim, the question becomes one for a jury, apart altogether from the suggestion that the colony owes any duty of any kind to those people who constructed the line or to their mortgagees. It is a question of how much this railway is worth to us, having regard to what we have already paid, and to the damage we have suffered through the non-completion of the line. The first question is, what is to be the measure of estimate? As I put it at the commencement of my speech, is it the market-value of the railway, or the sum which it cost them to construct it, or the sum which it would have cost the Government to construct it? The measure is, no doubt, to be determined first. Supposing the Committee assume that it is necessary to approach the subject at all, since the colony has only exercised the powers given by the contract, then, no doubt, the Committee will proceed to determine under which of the three heads its estimate should be made. I will deal with each of them. And, first, the market-value appears to be the correct one, because Mr. Coates and the shareholders complain that they have been refused their motion for an order, which would have empowered him

<page:1125>

to sell it, and the Government had chosen to stand by and look on, then there is for sale a line which, without the completion of the unconstructed part, is of very little value. Of course, it may be said, in answer, that a speculator might take it and be content to wait for a time in the expectation that the colony must complete the line or purchase his part. That may be so, but even taking that into consideration you have the estimate of the Public Works Department, through Mr. Blow, in answer to the allegations in the petition, in which the department says that the outside capital value of the constructed railway on the market is about £135,000. That is the outside value, but the line is at present useless, unless some one will contract to construct the connections and provide the machinery to enable it to be worked at a profit." Now, the members of this House ought to understand, if they do not already understand, that the company, having undertaken to construct the line and complete it, have constructed only the easiest portions, and have left the difficult parts to be finished by the Government or by anybody else. And, while constructing the easier portions of the railway, they took their land-grants from the colony to the extent of £330,000. They complain of having been hardly dealt with. An Hon. MEMBER. - Did they take any dividends out of it ? Mr. FISHER .- What has that to do with us ? It was a commercial venture, was it not ? They expected to make money out of our landed estate - the estate of the Crown. They attempted to make money out of the credit of the country. They raised money, and they carried out their work-so much of it as they did carry out-in a most profligate and expensive manner. Then, Mr. Bell goes on,- " As I have pointed out before, there is no obligation on the part of the

Government to continue the construction of the railway, and an ordinary individual would wait until the speculator was tired of running his line. The line from Springfield to Jackson's cannot possibly pay by itself. Considering the enormous capital expenses to be incurred, and the enormous working-expenses, it is not likely that the Government would construct it. The first way to approach the question is to ascertain the market value. If that is the correct method, then the matter is at an end. We have paid these gentlemen out of the colonial funds over £300,000. Assuming, then, that the market value is taken, obviously it is wiped out at once, for they have actually in their pockets over £300,000 out of the funds of the colony by the sale of their land-grants, and that must not be treated as a mere technicality. I hope the Committee will bear in mind that unless the company had contracted to construct the railway from point to point they never would have had an acre of land-grant, nor would they have had the immense reservation over which they could make their selection. So that you may take it that every acre of land they have had which they have constructed is, from the point of view of the colony, so much colonial property wasted." Yet these wealthy and influential gentlemen have the temerity to make an appeal to this Parliament on the ground that they have equitable rights. They say, "We admit we have no legal right, but we have equitable rights." One would not so much object if it were the poor shareholders of the company who came here in forma pauperis, and asked that some return should be made to them out of so much of their money as was expended in the construction of that part of the line which was constructed; but it is these millionaires, these heads of banking institutions in England, who have sufficient influence to move the Stock Exchange to cast injury upon the fair fame and good name of this country - it is they who come and ask that a dole from the public funds shall be handed over to them. I hope the House will bear with me for a few moments while I put on record so much of the history of the company as I think it desirable to place on record now. I am putting these particulars in Hansard so that the people of this colony may understand what it is they are asked by these petitioners to do, and how little right they have to make such a request, after having injured the colony to the extent of £400,000 through the representations made to the Stock Exchange, that being the amount we lost in the floating of our loans. I quote again from Mr. Bell's speech regarding the arbitration proceedings and possession of the line taken by the Governor :- "The company then gave notice requiring that its differences with the Government should be submitted to arbitration under clause 47 of the contract of 1888, and appointed the late Chief Justice of Ceylon their arbitrator. In March, 1895, the Government appointed the late Chief Justice of Queensland its arbitrator. The two arbitrators appointed as their umpire Mr. E. Blake, Q.C., a member of the English House of Commons. The arbitrators differed as to the terms of the reference, and the whole matter was left to Mr. Blake, who made his two awards in December, 1895. Before I read the part of the awards material to this history, I must go back to the events which had happened in 1894 and 1895 relating to the railway itself, and I can do this best by reading the statement sworn to by Mr. Blow in his affidavit filed in the late proceedings in the Supreme Court :- "Extract from Mr. Blow's Affidavit, sworn 10th December, 1898, and filed in the Supreme Court. "5. Early in the year 1894 the company practically ceased all work of construction. "6. The position of the railway was then- " (a.) The company had actually constructed only 75 miles out of the 235 which it contracted to construct. " (b.) The sections of the line which the company had constructed-viz., from

<page:1126>

nerton to Reefton-were the least expensive portions, and the portions left untouched were by far the most expensive portions, of the work, the line constructed being over comparatively level land, whereas the portions between Springfield and the southern end of the constructed line and between Belgrove and the northern end of the constructed line were extremely mountainous, and railway construction there consequently extremely costly. " (c.) According to the valuation made for the purposes of the contract the estimated total cost of the whole line was £2,830,000, and the valued total cost of the portion

actually constructed by the company was £470,300. According to the statements of the company's officers the actual cost of that portion had amounted to over £700,000. " (d.) The company had declared its intention of refusing to construct the portion of the line from Belgrove to Reefton unless considerable further concessions were made to it, on the ground that such portion of the line could not be profitable when constructed, and the cost thereof would be excessive. For example, in 1895 (see Parliamentary Paper I . - 8, page 13) the general manager and engineer-in-chief of the company, after making certain proposals for modification with regard to the line from Belgrove to Reefton, said, " If the Government cannot accept these modifications the alternative is to leave the works at Belgrove in their present unfinished state " ; and at page 14 : "The departure consists in the company excluding the Belgrove line, and completing the East and West Coast line only, and leaving the Reefton-Belgrove Section for future negotiations." " (e.) The company had either received land- grants or authorities for the issue of land-grants had been executed pursuant to the contract in respect of the constructed sections of the railway, and had sold and disposed of all or nearly all the land comprised in such grants and authorities. " (f.) The company alleged that by reason of matters which they claimed to have referred to arbitration they were entitled to various concessions, to compensation, and to an extension of the time for completion. "8. In the month of May, 1895, His Excellency the Governor, in exercise of the powers conferred by " The Railways Construction and Land Act, 1881," and especially of section 123 thereof, took possession of and assumed the management of the constructed portion of the line, and has continued the construction of various sections thereof towards the process of completion of the line, and the Governor has from time to time rendered accounts to the company showing the amounts expended and received by him, and until recently the company has paid the sums claimed in the said accounts. The company has recently made default in payment of the sums claimed by the Governor, but no such default has yet been continued for the period of one year. "10. The Governor is now in possession of the constructed portion of the railway, pursuant to and in exercise of the powers conferred upon him as aforesaid. The railway-line from Springfield to Belgrove is a railway which has been recognised by several statutes of the colony as necessary for the public interests of the colony ; for instance, the portion of it between Springfield and Reefton is included in the First Schedule to "The Railways Construction and Land Act, 1881." "11. The Governor has proceeded and is proceeding with the completion of the railway-line pursuant to the powers conferred upon him by " The Railways Construction and Land Act, 1881." "12. The Government of the colony has decided, so far as the matter is one for the determination of the Executive, that, on behalf of Her Majesty, they refuse to consent to the transfer of a small but integral part of a main colonial line of railway to the permanent control and possession of private individuals, leaving the remainder of the line to be constructed, worked, and controlled by the Government." Then came the arbitration proceedings before Mr. E. Blake, and the final defeat of the company in every Court, ending with the colony's successful appeal to the Privy Council. The time-limit prevents me going further.

3.30. into the matter. To sum up, the position is this : that, in consequence of default by the company, the colony was forced to take over a line which will be a non-paying line for a great number of years to come. The company and the debenture-holders complain that the Government or the Governor stepped in and took possession of the line. It is shown by these papers that they were offered any extension of time they might wish to complete the line if they had only given some assurance of their intention and ability to complete it. They have failed in every sense. Sir, your bell tells me my time is at an end, so I will conclude by saying that the Public Accounts Committee has recommended that a sum of £130,000 be paid to these petitioners-£110,000 to the debenture-holders, to these wealthy, influential men, and £20,000 to the remnant of the shareholders under the original contract. To summarize what I have said : Firstly, the petitioners have no legal claim ; secondly, they have no equitable claim ; and, having put this country to endless trouble and loss, they now appear as suppliants. They have no right of

the payment to them by this

<page:1127>

them to the Committee of the Stock Exchange in London has cost this colony no less a sum than £400,000. By their default they have delayed the completion of the line. The colony will suffer for many years to come through having thrown on its hands a non-paying line. In every way and in every sense the interests of the people of this country have been injured very seriously. There is no shadow of rightful claim on which to base such petitions as these. Many of the original shareholders have disappeared altogether ; many of the original debenture-holders have also disappeared ; and if this money is paid we shall be paying not to the original shareholders or the original debenture - holders, but to persons who have entered into both schemes for speculative purposes. I say that, rather than pay this money to these blackmailers-for this is blackmail on a large scale-I would set them at utter defiance. No doubt if this House refuses to pay this money now they will pester this Parliament year after year with petitions until they get a weaker and more pliant Parliament. But I hope that, so far as this Parliament is concerned, their petitions will not succeed, and that the £130,000 now recommended will not be paid to them. Mr. G. W. RUSSELL (Riccarrton) .- The speech which the honourable gentleman has delivered is somewhat extraordinary in that, while acting as executive head of the Committee, he himself has made a somewhat violent speech in opposition to the proposal of the Committee for the settlement of this unfortunate difficulty, because it must be regarded as such. I have on previous occasions expressed the opinion that the honour of this colony requires that there should be some settlement of this matter, and that the settlement should be based upon equitable lines. It is quite true, as the honourable gentleman has stated, that in their appeals to the Courts of the colony and to the Privy Council the company have been declared to have been on the wrong side. That, of course, we are all acquainted with. But it was only after the question of the rights of the company had been pursued step by step to every tribunal to which it was possible to appeal that the final decision was actually given. I think that no one could place himself back to the position the debenture-holders especially were in without realising that there is justice upon the side of those who ask now that some payment shall be made, and thus wind up the connection of the company and debenture-holders with the work. It is all very well for the honourable gentleman, now that the Midland Railway is discredited-when the company has failed, partly through misfortune and partly through mismanagement-to make the violent speech he has made, but he himself gave away that position when he said that in 1884 a united Canterbury party was returned to this House for the purpose of seeing that this railway was made. An Hon. MEMBER .- Not at all. into this House with a mandate to see that the railway was made, and we have to put ourselves into the position in which the debenture- holders were when they were treating, as they believed, with a country where public opinion was as strong on this matter as it had shown itself to be at the time the Stout-Vogel Government was formed in 1884. I say, therefore, to take up the position, now that this concern has been discredited by mismanagement and failure, that there are no equities in connection with the debenture-holders or the shareholders is neither fair nor honourable. Now, what is the actual position of the line at the present time? We have had a very able Commission-I admit that at once-we have had a Commission which, by the terms of its commission, was ordered to report-I will not say as unfavourably as was possible-but it was limited so far as its order of reference within lines by which they were bound to give a report that was by no means, nor intended to be, favourable to the company or to the debenture-holders. Yet the Commission find that the actual cost of the work done upon the railways in existence at the present time is as follows : Stillwater to Reefton and Brunnerton to Jackson's, £550,020 ; Belgrove to Norris's Gully, £61,585 ; Springfield to Patterson's Creek, £63,178: total, £674,784. Written down to the lowest possible basis, so far as managerial expenses, commissions, and other charges, and dealing exactly with the rolling-stock and the lines that have been constructed, the Commission has reported that the actual cost

of the lines taken over is £674,784. What is the position of the concern now? The company has lost its capital, and the debenture-holders their money. And, leaving out the extravagant management, the whole of this has gone in railway-construction, which has been seized by the colony, and is now absorbed in the colonial railway system. The honourable gentleman, in his impassioned address in regard to the company, was unable to say it had divided any money among the shareholders. No dividends had been declared ; all that can be charged to them is that the officers of the company mismanaged and were extravagant. Here is the fact: that a large length of railway is in the hands of the colony and has been absorbed by the Government lines. And now what is proposed by the honourable gentleman is that the colony should retain the lines without compensation. If the honourable gentleman could have shown that the company, having sold the State lands, had divided the money, and thus made a distribution of the funds, I could understand his attitude, and would have been with him. But no allegation has been made to that effect. What is the fact? That the company has sold the lands and spent the money in constructing the works. What is the position of the colony now in regard to the line ? I have the report of Sir Joseph Ward in connection with the railways ; it deals with the absorption of the Midland line

<page:1128>

colony. He says, - " It may be assumed that the net result of the working of the Midland Railways for the nine months they have been in the hands of the Government would not add more than £4,000 to the revenue of the Government railways." Therefore there is £5,000 profit annually on the Midland Railways. And yet the honourable gentleman asks coolly that the Government should seize this line !- which is returning £5,000 a year. This sum represents over 4 per cent. on the £130,000 now proposed to be paid to the company and debenture-holders. Compare the position of this line with that of some of the other lines in the colony. Do honourable gentlemen mean to tell me that, if the Midland Railway Company had not constructed these lines, there would have been no agitation on the West Coast for their construction ? Why, I venture to say there would have been an agitation from those portions of the colony that would have compelled the colony to make these lines if the company had not undertaken the work. And if you remember what I have stated-that the railways are returning 4 per cent. on the capital we are asked to pay for them -and compare what they are thus paying with what is being paid by the Government lines, they will return a higher rate of profit on that sum than a number of Government railways are returning at the present time. Take, for example, the Auckland system of railways : those lines, which have cost £2,434,000, last year returned £2 7s. 9d. Take, again, the Wellington-Napier and New Plymouth system : they returned only £3 2s. 9d. ; the Hurunui-Bluff returned only £3 15s. 3d. ; the Picton line returned 10s. 11d. per cent. on the cost of construction ; whilst the Nelson line shows a deficit of £1,531. On the other hand, here is a line which the Government has taken over, for which it is asked to pay a reasonable sum, and on which it is obtaining a return of 4 per cent. on the capital now asked to be paid for it. Yet the honourable gentleman denounces the whole thing as a job. To take a homely illustration : Let me admit the penal clauses existed, and that the seizure of the line was strictly legal. That has been proved. Yet I do not think any member of this House, if he engaged with a contractor to have a mansion built, and if that unfortunate contractor got himself within the penal clauses, and had the whole place, when partly completed, seized, would care to live in a house without having paid anything for its construction. That is very much the position in regard to this line. There were penal clauses, it is true ; yet so little were they relied on that, I venture to say, at first the Government did not know they existed in the Act. It was only at a certain point in the history of the matter that the existence of those penal clauses was discovered. Then it was that, under them, the Government assumed possession of the line. Up to a certain point the Government were under the impression that they would have to buy out the company ; but they discovered that Mr. G. W. Russell possessed them, and they put them in force. There are not many members who would, to use the homely illustration I have given, like to lie down to sleep in a house that a

contractor had built if he had lost the whole of his money through the existence of penal clauses. Both the company, the debenture-holders, and the Government believed for years that the debenture-holders had a prior claim to the line before the resumption rights of the Government could be exercised. Can any sane man believe the debenture-holders would have advanced their money if they or their solicitors believed such a contingency as the seizure of the line by the Government was even possible? Part of the evidence read by the honourable member was to the effect that these lines were of no value because they were isolated. Is not that the position in connection with every railway-line that is not complete in itself? Take the North of Auckland and other lines we are constantly hearing about in the House. Is it not a fact that until these isolated sections are brought into connection they are of little or no value? I do not wish to weary the House, but the very aggressive speech of the member for Wellington City (Mr. Fisher) necessitated that something should be said upon the subject as to the equitable view of the matter. He has said the persons connected with the Midland railway are persons of more than ordinary influence, and if it had not been so this petition would never have been heard of. But if they had not been men of more than ordinary influence the money would never have been subscribed to construct the railway. Also, I point out that the honourable gentleman admitted he has been opposed to this line from its inception. He was a very strong opponent of the Stout-Vogel Government, and has always been, and is now, a very strong opponent of Sir Robert (then Mr.) Stout, who was undoubtedly one of the champions of the Midland Railway right through, and was largely responsible for the contract with the company. I should like to add: this line is an integral part of our railway system, and it has got to be completed. Let members make no mistake about that. This colony is not, after so much money has been spent, going to leave the West Coast with its mineral wealth unconnected with the agricultural and pastoral districts of Canterbury. The farmers of Canterbury know that when the mineral country on the West Coast reaches the greatness it is destined for, and when it has, instead of twenty or forty thousand, a population of a hundred and fifty thousand, as it must have in time, it will be one of the finest markets for the Province of Canterbury. Not only that, but there is a great revenue in the tourist traffic that is bound to grow up between the east and west coasts of the South Island. An Hon. MEMBER.- Underneath the mountains. Mr. G. W. RUSSELL.- The whole of the route will not be underneath the mountains, but it will be a great deal better route than by sea round the West Coast. The railway will

<page:1129>

Coast overland through Canterbury by rail, instead of, as now, entering the bar harbours. And therefore, I say, so-much money having been spent, the colony must make up its mind to complete the railway, and the sooner the better. I do not say it is the most urgently required railway in the colony. Speaking from a Canterbury and a Christchurch point of view, the importance of this line is fully recognised by the people of that part of the colony; and though of late years their agitation has somewhat slumbered, that has been because of the position the company has got into, and because they have been waiting for events to settle themselves. At the present time large sums of money are being expended in pushing the line through, and, that being the case-I do not like to use a strong word and say it would be dishonourable-but I certainly think it would be a bar upon our escutcheon if we were to say that, the company having expended so much money, the colony was going to take advantage of their expenditure and refuse to give them the small sum of £130,000 to wind up these unfortunate transactions. Mr. BUDDO (Kaiapoi).- After the remarks that have been made by the two previous speakers, who seem to be pretty evenly divided in opinion on this subject, there is not much for other members to say on the matter. While I cannot excuse the Midland Railway Company for doing all they possibly could to injure our credit in the London money-market, still, at the same time, I have a feeling that some little sum should be paid to the shareholders as a solatium in return for the Government having taken over the line owing to the unreasonable delay in construction. I have not got beyond this consideration: that we can penalise a

contractor to the whole cost of his work if we only make the penal clauses stringent enough ; but I do not think, as a colony, we should enact penal clauses against them without paying them something for the property taken. What I principally rose to reply to was a statement made by the honourable member for Wellington City (Mr. Fisher), when he said that the Stout-Vogel Government floated into power on the strength of the West Coast Railway. This was practically repeated by the member for Riccarton, who said that it was a united Canterbury that, coming into power, put the Stout-Vogel Government into power ; but it was not on the strength of this Midland Railway Company. During the harvest season of 1883-84, the Atkinson Government was in financial difficulties, and it occurred to them that the easiest way to raise £100,000 would be to raise the railway rates on Canterbury produce, and the result was the imposition of 1d. a bushel on grain principally grown in Canterbury and Otago. One of the previous members for Ashley-Mr. William Pearson-wrote to the then Premier, " Imposition penny per bushel on Canterbury grain is great injustice to Canterbury farmers ; see and have it repealed." The far as could reasonably be expected, the command a tax of 2s. 6d. on their land let them clear out." It was an injudicious reply, and the result was a united Canterbury against the Government, and when the elections came on, later in the year, every Canterbury member was returned pledged to turn out the Government. It was after this date, in 1885, I think, that the agitation sprang up for the East and West Coast Railway, and it was not the Province of Canterbury alone that took part in that agitation, but Nelson also shared in it, and the West Coast joined in as a very good third, and great credit is due to our old friend, John Matson, for the way he urged the construction of this railway. I will say this : that although I deprecate very much the action of these debenture-holders, I cannot agree to paying this claim in full, because I do not consider the company are entitled to it ; yet at the same time I think they are entitled to something, and in fair-play to them, and as an act of justice by the colony, I say we should not ignore the fact that our putting into force certain penal clauses in the Railways Construction Act of 1881 has had much to do with putting this company out of possession of the railway, and the colony has not only the benefit of getting into its hands the whole line, but also of recovering the Crown lands of the colony which were placed at the disposal of the company for sale, for payment of 50 per cent. of cost of line. Now, that position has been owing greatly to the penal clauses, and I do not think the colony should now ignore the fact that there is some claim against it. But I oppose any idea of granting in full the amount claimed by the petitioners, and if this motion goes to a division, I shall vote against paying the £130,000 in full, as I am of opinion it is not due, nor is it deserved. I am not prepared to say what is reasonable compensation, if any; but if the claim is acknowledged, it should be fully met by a payment of half the amount claimed. Mr. SEDDON (Premier) .- Mr. Speaker, it is with some diffidence that I rise to speak at this stage, seeing that if effect is to be given to the Committee's recommendation, it means that a Bill has to be introduced, and I think there are many things to be said that would be better said on the second reading of the Bill than in a debate on the report of the Committee. I would not like what has been stated by the member for Wellington City (Mr. Fisher) to go forth to the world without something being said in explanation and extenuation. It will be generally conceded that, if I do not know, I ought to know as much with respect to the Midland Railway question as any man in this House, or in New Zealand, and I say that the Government have from point to point vindicated the honour of the colony, and proved to the world that we were within our legal rights ; and that the attempts that have been made to place the colony in a false position by the company were ill-founded ; that the company kept demanding alterations in the contract, and that when Parliament met them time after time as

<page:1130>

Ultimately, of course, things came to an end, and the result was that the Government had to take possession of the line. It is not for me to refer to what was said of the Government and the colony at that time; and, as far as I am concerned, I have forgiven long ago what was said of myself and the

Government in respect of our action at that time. I was surprised and pained at the attempt made whilst the matter was before the highest tribunal in the land, the Privy Council, that reference was made and action taken which might reasonably have been construed as an attempt to create a bias in favour of the debenture-holders. I shall never forget the interview I had in London with the Receiver; and when I stated to him that the company had no legal standing, and that they should at that stage, before having exhausted the whole of their legal remedies, have thrown themselves on the generosity of the colony, I was astonished at the reply—simply astounded—and there was nothing else for it but to allow the law to take its course. It went to the Privy Council, and the Privy Council maintained the colony was in the right, and had acted legally throughout. Mr. ATKINSON .- What was the reply ? Mr. SEDDON .- He told me that he was a Receiver, and he was there to realise; and wanted to know, practically, how much we were prepared to give, and said the sooner we paid the better. In respect to what 4.0. Mr. Fisher has mentioned in the course of his speech, what I take exception to more than anything else was an endeavour made, pending the case being determined, to bring the influence of the Press at Home against the colony. That was unprecedented, unjustifiable, and sufficient almost, I think, to prevent subsequently any grant being made to the debenture-holders or the company. And, again, when the opportunity arose, and this colony was floating a loan, they used their influence against us, and wrote to the Committee of the Stock Exchange, and asked the Stock Exchange not to quote or register the loans of this colony. I say again, one can scarcely credit that some of the men holding the positions of these gentlemen at Home, who were named by Mr. Fisher, and moving in the highest financial circles, would attempt to do such a thing. The Supreme Court, the Court of Appeal, and the Privy Council all gave decisions in favour of the colony. But, more than that, when the matter went to arbitration, which the company themselves favoured and under which we met them as fairly as ever party met party, they were defeated on a claim for damages for a million, the award of the Court being nil ; and in the face of that award of the Court, in the face of the decision of the Supreme Court, in face of the decision of the Appeal Court, and whilst it was pending before the Privy Council, it was not proper for them to take the action they did and endeavour to injure the credit of this colony. The question that will next be asked is, " Why, under the circumstances, should there Mr. Seddon Why do you urge their being generously treated ? " Well, I will give you my reasons why I say something should be given. There are a large number of poor shareholders who invested their money in the first instance; and it is no use blinking the fact, that the gentlemen from this colony who went Home, and placed that venture before the Mother-country, gave too favourable a colour to the project, and under these circumstances many poor persons and speculators on the strength of these representations invested their money. The rose colouring was given by the promoters of the company, who carried with them an agreement made with the colony. Then, we come to the question of the debenture-holders. The debenture-holders asserted from the first that they advanced the money under the impression that they had a first claim against the assets, and against each section of the whole of the railway line, and a claim as above the colony itself ; they held that the Act of 1884 gave them that right. They were wrong in their interpretation of the law, as the decisions of the Courts have proved. Mistakes in law often occur, and they were advised they had first recourse; the reading of the original Act and the Act of 1884 might not unreasonably have led them to the belief that when they advanced the money they had the preference over the Government. On that they, at all events, allege they advanced their moneys in the first instance. Now, as far as the colony is concerned, and to show it was a point in doubt, I will tell the House now that there was that belief in the colony itself, and I understand that two Public Works Ministers were of the same opinion. Mr. J. ALLEN—That the debenture-holders had a prior claim ? Mr. SEDDON .- Yes, in respect to completed sections. Mr. J. ALLEN .- Did Mr. Bell ever advise that? Mr. SEDDON .- I do not answer questions of that kind, because we do not give to the world the opinion of the Crown Law Officers, or that of our legal advisers. But, at all

events, it was considered not free from doubt for a time. A change came over the dream ; but I am not going to say who it was who pointed it out, and the result was that the matter was gone fully into, and it was found, as I say, that the construction that had been placed upon the Act was not well founded. I will leave it at that. and simply come to the point at issue. As for the view taken by the member for Wellington City, that we should treat the Midland debenture-holders and the attorney of the company as we would an ordinary contractor : I say we have had many instances in this colony where persons who have undertaken to make roads for us have failed, and we have called upon the sureties, and we have taken the money of the sureties, and finished the roads, and have not thought fit to give anything in return. I may give you another case in point, that of the Kaihu Valley Railway Company. We advanced - a sum of, I think, £46,000, and they spent

<page:1131>

are working it to-day, and it has been one of the most profitable pieces of railway that the colony has ever had, and we did not think fit to give back to the shareholders anything in respect to the Kaihu Railway. I am only giving a parallel case where the State stepped in through there being default on the part of the contracting parties, and we have not seen fit to give anything in return. You will ask, then, " Why in this case, more particularly in respect to the debenture-holders, do you propose anything different ?" Well, the answer is this : As previously stated, it was not free from doubt as to completed sections. There was a section of line completed ; and the question was whether that section should be handed over and be the absolute property of the company or the debenture-holders. They claimed under the law to be entitled to possession and ownership, and, if that interpretation had held good, then the line between Greymouth and Reefton would have remained their property, and this was a line of railway the colony would have had to construct itself, and it has proved a fairly payable piece of line. Again, there was the completed section between Jackson's and Stillwater. There can be little doubt but they thought all was safe when advancing and taking up the debentures. And it is because these moneys were, I believe, honestly invested that we must, I think, give them some consideration. It is said, of course, that ignorance of the law is no excuse. In my opinion, when taking up the debentures, those investing looked upon the venture as safe, and did not trouble about the law at all. Well, this is correct in most cases; but there are exceptions to every rule. I desire to remind honourable members that an important factor should be borne in mind in coming to a conclusion-namely, that if the Midland Railway Company had not stepped in, the probability is that political pressure would have been so great that the colony would itself have gone on with the construction of the Midland Railway, or a considerable portion of it. I am positive almost that we should have gone on with the construction of the railway, at all events, from Christchurch to Greymouth, if the company had not stepped in. The company have spent We have altogether, I suppose, £1,200,000. given them land which has realised £313,000. Now, if we had had to construct the completed portion of the line ourselves it would have cost over £600,000. We may therefore say we have paid only £313,000 towards the construction of a work which would have cost us, if we had carried it out ourselves, over \$600,000. We have therefore not paid much over 50 per cent. of the cost of the work done. Now, there have been three parties connected with the construction of the railway-namely, the State, the company, and the debenture - holders. " We find," say the Commissioners, "that the capital value, or the selling value, of the property to-day is £192,000." The Commission say that the allocation of that, gauged by the property were realised, £66,000 for the colony and £126,000 for the debenture-holders. Now, I at once say-and I wish to be emphatic upon the point-we do not admit that the country was ever a partner in the venture. This was simply a supposititious or hypothetical case the Commissioners had placed before them for their finding, and so they have found upon it. The value is gauged upon its net profits as a going concern, looking back five years, and calculating five years ahead, and on that basis the Commissioners have fixed the value at £192,000, and which is deemed the full and fair value. Outside this there was a

sum of £57,000, I think, -£7,000 of it being earnings, and £50,000 which had been contributed by the debenture-holders after the colony took possession of the line. That is to say, under the terms of "The Railways Construction and Land Act, 1881," when the Government stepped in and took over the line and went on constructing it section by section, we had the right to demand from the company the money so spent in respect to each section as it was constructed ; and if the company met that demand within a certain period they still had a hold on the line. But if they made default, the line became wholly vested in the Crown. Well, ultimately they failed in their contributions, and the whole property became vested in the Crown. It would be unwise, I think, in any finding we may come to, to leave the consideration of the £57,000 undealt with. I may say, first of all, a portion of the £57,000 was properly used for working-expenses, and if that amount had not been so applied we should have had to take it from the net profits ; so that the charging of that amount to the working-ex- penses takes away a portion of the £57,000. Then, in respect to the finding, the balance is taken into consideration, and the sum which we propose to offer is, as stated in the report, £110,000 to the debenture-holders and £20,000 to the shareholders. For the reasons I have previously stated, I do not think it would have been wise to shut out the shareholders altogether, as we should have had them coming to Parliament for redress in the future ; and while we are dealing with this matter my advice to honourable members is to clear it up once and for all, so that we shall not have it troubling us either here or in the Mother-country. But this colony need never fear any section of persons in the Mother-country. New Zealand and the New-Zealanders are sufficiently well known, and it is not in the power of any one to materially injure our credit. But at the same time, when there is a feeling on the part of some people, who otherwise would be friendly, that they have been hardly dealt with, it is perhaps advisable to adopt the attitude, " When powerful be generous." And it must not be forgotten that many of these persons have in- vested their little savings in this venture, and the gift, allowance, or whatever you like to call it, that is proposed to be given amounts to a mere trifle relative to the amount they in-

<page:1132>

prefer that this gift-because it is really a gift from the Colony of New Zealand-should be granted spontaneously, and free from anything that might cause heartburnings. Losers always feel sore, and many things said and done should be looked over. I say those connected with the carrying out of the works were greatly to blame, and those connected with the promo- tion of the scheme were too sanguine, and led those investors and persons whose savings are in the venture to expect too much, and natu- rally, of course, they feel sore; and the share- holders and debenture-holders in turn have put the blame entirely upon the colony and upon the Administration. I therefore say it is pro- bably wise, under all the circumstances, to be generous and forgiving ; end the trouble, and get the question out of the way. If we do not do that we shall have petitions coming every session, and we shall have some further ill- feeling engendered. We have referred the matter to a Royal Commission, and the Com- mission's report has told the world : gauging the value of the lines as they stand, and taking into consideration the amount the colony has contributed, we owe nothing. From the legal standpoint all the Courts have decided in our favour, and if we agree to the conclusions now recommended by the Committee it will have more weight, because it is a free gift from the colony ; and, under the circumstances, and much as I regret what was done by the debenture-holders in the attempt to injure our credit in respect to the flotation of our loans, still, I think, to do as I now suggest will be the best course. Now, the next question is as to the mode and method of doing it. I say we ought to see that there is no loophole left whereby this recommendation can be made simply the foundation for further consideration to follow. I say I would prefer to do nothing at all, and to reject this, and any or all applications, if the gift is not to be taken as final and conclu- sive. And in the Act to be passed authorising the raising and the payment of the £130,000, it should be set forth that whoever receives this money shall state it is accepted as final, and that there shall be no further appeal of

any kind to the colony. Of course the Receiver is the sole person in whom rests the whole of the interest at the present time, and he could give that assurance that the money was received on that understanding. But, in addition to that, there should be a notification or something in writing from each debenture-holder to say that he was prepared to accept the money from the Receiver on these conditions, or there should be duplicate vouchers-one to be retained by the Receiver, and the other to be sent on to the Government. Then, if, later on, either individually or collectively, an attempt was made, by petition or otherwise, to reopen the question, we could produce the statement of each person saying, so far as the colony was concerned, he had been fairly and generously dealt with. I lay very great stress upon this, because, were it not for clearing this out of the way once and for all, I should not advise the Mr. Seddon. We shall probably be blamed by many people in the colony, and we shall be told in making this gift we are laying down a dangerous precedent-and I know there is a determined opposition to anything being done; but I would meet that by saying that we have to deal with every case as it comes before us and do what we think is right, feeling assured that the people of the colony will appreciate our actions. I have said myself in respect to this matter that we should do nothing ; but, looking at the question from every standpoint, I am not now, in the face of the report of the Royal Commission and the report of the Public Accounts Committee, prepared to ask the House to reject the resolution. I think probably it is a solution of the difficulty. There is a very large number of people in the colony who think we ought to give something ; and, that being the case, I think the best thing to do is that suggested in the report. I may say it will bring home in a manner little expected the action of those who tried to injure our credit when I inform the House that this payment will be made in 3-per-cent. debentures, which they must take at par. If they have succeeded in injuring our credit or lowering our 3-per- cents, such action will recoil upon themselves. However, I advise the House to let the report be laid on the table now, and be referred to the Government. We will later on prepare and introduce a Bill, and, on the second reading, if further details are wanted, I shall be most happy to give them. That is the course I propose, and which I hope the House will accept. Mr. J. ALLEN (Bruce) .- I will not detain the House more than a few minutes. The right honourable gentleman has said it would be unwise to have a debate now, because a Bill later on will come before us for consideration. I do not quite agree with him on that point. I think it is well to learn what the feeling of the House is now, because if the House is as decided against the recommendation as the Chairman of the Committee was there would be no need for a Bill. The Premier at least will gather from this discussion whether the House is prepared to accept a Bill in any form. I quite agree with the right honourable gentleman that no one in the House or country-and I include lawyers-knows more about the Mid- land Railway question than the right honour- able gentleman himself, right from its incep- tion. I will not go back to the early days. because it will only cloud the issue we have before us at the present time. I almost regret that anybody has gone back to the past, although I should like very much to recall, I think, the occasion upon which I first made a speech of any length in the House. It was on the Midland Railway question, and I drew then upon myself the criticism of Sir Julius Vogel. It would be interesting now for honourable members to take up that debate of 1887 and read what some of the early history of this Midland Railway business was. It was a scandal to the colony from beginning to end : the preparation of the agreement was a scandal ; the advice

<page:1133>

the then Government was another scandal. But let us leave that. We are trying to-day to settle the matter. All I can say, with regard to the motion to-day, is that honourable members will believe that I at least am not actuated by any feeling in favour of the railway scheme, or in favour of the Canterbury, Nelson, and West- land combination, because I have always been opposed to the line from the start, believing that it was an undertaking that ought not to be assisted by the colony in any way at all. One thing I did object to in the Right Hon. the Premier's remarks was this : that by a 4.30. colouring given by the promoters of the

scheme certain people in the Old Country were wrongly influenced to enter into the scheme, and that colouring was of force owing to the fact that those using it were duly accredited by the colony. I do not know who he was alluding to—perhaps he was alluding to the Canterbury Committee. Mr. SEDDON .- Yes. Mr. J. ALLEN .- Well, they were not accredited by the colony at all. Therefore, to say that that colouring was given by representatives accredited by the colony was not making a fair statement of the case. Then, with respect to the right honourable gentleman's remarks on the possibility of the debenture-holders being misled as to the security they possessed under the Act of 1884, I would ask honourable members to review Mr. Bell's summing-up of the whole case before the Public Accounts Committee last year, where the matter is clearly stated, and the want of knowledge of the nature of the security on the part of the debenture-holders is placed on the right shoulders. Before expressing my own opinion I want to allude to an argument used by the honourable member for Riccarton : he says this line must be completed by the colony. I hope he did not use this as an argument in favour of the Bill, for, in my opinion, it is about as strong an argument against the colony doing anything as could be used. If we are to be compelled by political pressure or any other means to complete this railway, there is no doubt we shall have to make a very heavy loss over it; and if this heavy loss is to be cast upon the shoulders of the colony, then it would be better that we should retain the money we now propose to give the debenture-holders and shareholders to recoup ourselves for this loss. Mr. G. W. RUSSELL .- I did not use it as an argument in connection with the proposal before the House. Mr. J. ALLEN .- I do not see how you can separate the two. One of the great difficulties before us is that, owing to political pressure, we may have to go on with this work, and in doing so incur a very heavy loss. In regard to the Chairman of the Committee, he made this statement, which ought not to go on record without denial : that the Legislature would not have considered this petition except for the fact that there were some important names attached to it—names of titled people in the Old Country. The honourable gentleman may say as he likes ; are concerned, I wish to give that a most emphatic denial. And if there was one thing more than another that might have led individual members to hesitate about recommending anything at all it was the fact that titled persons' names were attached to the petition, who had attempted to use their influence to the detriment of the colony. If they had been all poor people there would have been no hesitation on the part of the Committee to recommend the amount. I do not think that it ought to go forth to the world or to the House that the Public Accounts Committee were influenced by the fact that certain names are attached to the petition ; nor do I think the Legislature is likely to be influenced by that fact. We have to deal with this question not from a political point of view, but from an equitable and a just point of view. Mr. G. W. RUSSELL .- And a generous point of view. Mr. J. ALLEN .- Yes, even from a generous point of view ; it is generous treatment they are getting. But we have to consider our own position and the honour of the colony. The honourable member for Riccarton has stated that £5,000 a year is the earnings of the railway; but the earnings of the railway do not amount to that during the course of time the railway has been in working existence. On the contrary, taking the full value of the earnings for the five years' working, we find an average of about £3,900 a year. What we are offering them will be 3-per-cent. debentures, which will almost exactly realise this £3,900; so from that point of view we are dealing very fairly with them and receiving no profit ourselves. I should like, in a few words, to give my opinion about this question. I have been opposed to the railway right through ; I have no sympathy with the debenture-holders and very little with the shareholders. They entered into the scheme—or they ought to have entered into it—with their eyes open, and if they did not it was their own fault. But we have to consider the position of the colony. The colony has in its possession a line which it would cost £674,000 to construct. We have given a portion of our landed estate, which realised £313,000. I do not know whether it would have done that but for the railway, but giving the full value of the land it realised £313,000 ; and then there was another £38,000 paid by the colony: making £351,000 altogether, of which the debenture-holders have paid

back to us £50,000, leaving the net amount provided by the colony in land and money about £300,000. We propose now to give them £130,000, making £430,000 for a property which would cost £674,000. It is a property we do not want, that we might have built partly ourselves, but certainly not the whole, and which will be a costly one to us in the future ; therefore we could not in justice to ourselves give anything like the difference between #674,000 and £300,000. The value of the railway as a going concern has been assessed by the Commis- sion at £192,000, of which they allotted £126,000 to the debenture-holders. The Committee came

<page:1134>

to the conclusion that the debenture-holders would be generously dealt with by the colony if they received £110,000, and the shareholders- for whom the Public Accounts Committee had some sympathy, but who have no claim on the country-if they received £20,000. I think the recommendation of the Committee is generous in the extreme; and, considering the course taken by the debenture-holders in London, I say it comes from the House and the colony as a magnanimous mark of what we are prepared to do in justice to ourselves and to the other side as well. Mr. FISHER .- It will only induce them to come again next year. Mr. J. ALLEN .- At any rate, we can provide pretty safely against any attempt in the future. I say the colony is doing a generous and a mag- nanimous action, and that notwithstanding the fact that those whom we propose to treat thus generously have treated us in an entirely opposite spirit. And, Sir, if they do not accept what is proposed to be offered in the spirit in which it is given, then I say that the colony will be justified in refusing to give anything ; and, in either case, if we had to go to the London market, or any other market in the world, to obtain our full requirements, we could point to the action we had taken, and no reasonable man could ever possibly take any exception to it. We have to guard ourselves against any pos- sible action that may be taken detrimental to our own immediate requirements. We propose to do what seems to me a generous thing, and I take it that those who are to receive this money will accept it in the same spirit in which we freely give it, feeling that we are not bound to give it. If they do this I hope the whole thing may be ended up, and that the colony may eventually come out of the business without so much loss as one might probably believe would take place. I think it is quite true that the action of the debenture-holders in London has to a certain extent damaged the credit of the colony. They petitioned the Stock Exchange not to quote our loans. I do not know what effect that had. Some contend that it had a considerable effect. I had a communication from a member of the Stock Exchange, who said that it had but little effect on our loans in the London money- market. I understand the Stock Exchange absolutely refused to be influenced by the re- presentations of the debenture-holders. I am quite certain, however, that the action we are taking will be such that the Stock Exchange will in the future not permit itself to listen for a moment to the petition of any share- holder, or debenture-holder, or the whole lot of them. I believe the colony is doing right in any case in giving something, and giving it generously. I think the property which has come into our hands will be of some value, and, even although extensive works will have to be undertaken at considerable cost to the colony to complete the line, I believe we are doing the right thing, and that the country will approve of our accepting the report of the Public Ac- counts Committee and authorising the Govern- Mr. J. Allen ment to bring in a Bill to deal with the matter on the lines recommended. There is one point that I omitted to mention. It was stated by the honourable member for Wellington City \- (Mr. Fisher) that a good many of the original debenture-holders had got rid of their debentures, and that these were now in the hands of people who did not originally hold them. That question was asked of the Receiver-Mr. Coates -by Sir Joseph Ward. The questions and re- plies were as follow :- " Regarding the debenture - holders, Mr. Coates, there have been statements made-I do not know whether it is within your know- ledge-that many of the present debenture- holders are not original debenture-holders ?- It has been so said. "It is a material point. Do you know whether it is so ?- I have not a list of the de- benture-holders. I believe some of the debentures have been sold, but not very many.

Most of the original debenture-holders are still on the list. " So if relief is given it would be a relief to the original debenture-holders ?- To the majority of them." Then, with regard to the shareholders, a similar question was asked of Mr. Dalston, who represents the shareholders, and practically the same answer was given by Mr. Dalston on behalf of the shareholders-namely, that the bulk of the shares are still held by the original shareholders ; so that the statement of the honourable member for Wellington City (Mr. Fisher), that the money we are proposing to give would not go to the original debenture-holders or shareholders, is not sustained so far as the evidence goes. Mr. McGUIRE (Hawera) .- If we have done any injustice to the debenture-holders or the shareholders of the company, or if we had treated them in a way that was not upright and honourable, I would be prepared to carry out the recommendation of the Committee. and pay over to them, under conditions. the £130,000 as recommended by a majority of that Committee. But we have not done them an injustice. They have undertaken to carry out works which they failed to carry out; and why should we pay this £130,000? The Right Hon. the Premier has just said, if we pay them this money it will be a gift. Will they receive it as a gift ? We should be just before we are so generous. Why should we make a gift to the bondholders and debenture-holders? They have brought their case before the Courts, they have been defeated, and they finally submitted it to the Privy Council, and the decision given in our favour was upheld. If we make this payment they will think we have something to fear. We deny having done anything wrong. Then. why should we give them this money as the Premier has said? Why should we try to settle as the honourable member for Bruce has said ? Can we better our position by making this payment ? No, Sir, we cannot ; but it will appear that we have done something wrong, when !! all throughout we have acted straightforwardly and honourably. I say that the payment of

<page:1135>

fear on our part. If we have done no wrong what have we to fear ? Why should we hand over £130,000 of the moneys of the ratepayers ? I only wish I had sufficient assistance in the House, and I would move that that report be sent back to the Committee for further consideration. Mr. HORNSBY .- Then, move it. Mr. PIRANI .- Let them do their own dirty work. Mr. McGUIRE .- I think it is work any member should do in the interest of the taxpayer ; and I also think the Committee is most generous in making the recommendation they did, seeing that no honourable member admits any wrong has been done to the debenture-holders or shareholders. Now, I know where a wrong has been done, and I could point out, were it not that I do not wish to take up the time of the House, how a great injustice has been committed against the ratepayers in the harbour rating district of Taranaki ; and I could make out a good case, but I have no desire to take up the time of the House until half-past five. However, on the question now under consideration, I think it would be in the interests of the colony to have a division, and in order that this may be done I move, That the report be sent back to the Committee for further consideration. Mr. HOGG (Masterton) .- I may say that I do not intend to support the payment of this money. Some years ago I was a member of the Public Accounts Committee, when this matter was gone into very fully, and I came to the conclusion that, instead of the colony being indebted to the shareholders of this company or to the debenture-holders, the people of New Zealand have suffered considerable damage at their hands. It looks well, no doubt, to be very considerate and amiable, and to talk of acting generously towards them. To be kind and benevolent is a very agreeable thing, but the question is whether, as trustees of the public purse, we have the right to be generous. Should we not also be just ? And, in order to be just to the taxpayers of the colony, the whole of the facts connected with the Midland Railway scheme from the beginning require to be taken into consideration. From the first it was a project that would hardly bear inspection. We had a company, originally formed with a capital of a quarter of a million of money, undertaking a work which was estimated to cost between two and three millions. They made an agreement with the colony that this work should be completed within a term of ten years, and when the

ten years expired how much of that work was finished? Only one-fifth of it : seventy-five miles of railway out of a total of 235 miles. That was their way of carrying out their bargain with the colony. Then, when they found, as they rapidly did, that their original capital was exhausted, they had to go upon the London money-market to raise debentures ; and how did they raise the money ? Can it be suggested or insinuated that they were backed up by the credit of the colony ? Why, pounds' worth of debentures, and there was a clear profit of 13 per cent. handed over to the debenture-holders. In addition to that they were to receive 5 per cent. on those debentures. Now, I do not like to use objectionable words regarding the men who invested their money in this transaction, otherwise I would say they acted the part of usurers or speculators. They were certainly looking forward to considerable profit from this undertaking. When I mention these terms it must be evident to members that the security was not looked upon as being first class. Now, Sir, what happened a few years ago? The company, as well as the debenture-holders, fought out the question of compensation and damages most bitterly ; and when they were compelled to accept arbitration, what was the finding? The claims of the company briefly were these: They considered that faith had not been kept with regard to the amount of land handed over to them ; and in the second place they stated that, in contravention of the contract, and without proper cause, the Government took possession of the railway, and converted the same to their own use. Because of this seizure they claimed that they were entitled to £1,817,900, together with interest at the rate of 5 per cent. on £845,000 debenture capital from the 14th January, 1895, till the date of the award. The award was made by the Hon. Edward Blake in December, 1895, and in this award he found that the company had no claim whatever for damages. He awarded that there was such unreasonable and inexcusable delay by the company in the prosecution of the works, and also such a wilful breach of the contract, as on either ground to justify the exercise by the Government of the statutory powers enabling them to take possession of and assume the management of the railways. He also found that the power had been rightly exercised, and that the company had no claim against the Government of the colony, or right of recovery of any money. Yet in the face of the award of the Arbitration Court, and after the case has been thoroughly investigated, we are asked now to hand over £130,000 of public money to the shareholders and debenture-holders. I maintain that the debenture-holders, in going into the bargain, knew that the security was not first class. With all these facts before us, I consider we are not justified in stultifying ourselves, and practically admitting that we have been fighting a bad case. We are asked to eat the leek, and bite the dust, at the request of capitalists in another part of the world who know that they have no claim against the colony, and figure as petitioners after they have exhausted every possible remedy. Not satisfied with litigation, have they not tried to blast New Zealand's credit? If we tolerate such a claim as this, what will it mean ? That unscrupulous people with spurious claims will be induced to blackmail the colony on the London money-market. After what they have done in their efforts to discredit the colony on the London

<page:1136>

Stock Exchange we are scarcely justified in taking cognisance of their mendacious appeals. We should hesitate. My impression is that we have no right to be asked to give this money. Should a Bill authorising it be brought down I trust that it will be defeated. I consider this report from the Public Accounts Committee should be remitted back to them ; and I may add that I am exceedingly sorry that a report of this character should have been brought down to this House at all. Mr. T. MACKENZIE (Waihemo) .- I have not had the privilege of listening to the whole of the long speech delivered by the honourable member who has just sat down, but I gather from it this: that he, as far as he possibly can manage it, will do an injustice to the debenture-holders. Sir, no sophistry on the part of that honourable gentleman will alter the fact that these debenture-holders were justified in believing that they had first claim on those assets. He knows perfectly well that the Agent-General at the time had practically given the imprimatur of the colony to the securities. He advertised it and took a prominent position, and never pointed out this clause

barring their rights that was surreptitiously inserted into the Act. Had he done so, do you think these men at Home would have put their money into the security ? They would have done nothing of the sort. Yet the honourable gentleman calls them usurers and blackmailers. Who have been the blackmailers? Why, the Government of this country have done all they could to interfere with their investments. I suppose it was because they did not agree with some deviation of the line along the south-west of Lake Brunner. Mr. HALL-JONES .- It was altered to suit the company. Mr. T. MACKENZIE .- Yes ; the reason why the opposition rose against the company was that it was not taken along the south- west side of Lake Brunner. We know perfectly well what was the reason of it. The action of the New Zealand Government throughout towards the debenture-holders is not to their credit. The debenture-holders were justified in thinking when they had advanced their money on the security that they had adequate security. The honourable gentleman says that 5 per cent. was a high rate of interest-it is, at any rate, the rate of interest the Government has been charging to the settlers of this country for any money they require. I think the Government from the very first have endeavoured by every possible means to prevent that company carrying out its work. Honourable members know what was done in connection with the land on its railway-lines-that all the most valuable country over the line of route was not permitted to be settled. An Hon. MEMBER .- NO. 50. Mr. T. MACKENZIE .- If the honourable gentleman knows anything about the country along the line of route he must know there was a great deal of the land declared to be auriferous, and the Government had the right to prevent the company from Mr. Hogg dealing with that land by temporarily declaring it to be auriferous. They prevented the company from operating, while at the same time the Government had no real knowledge that gold was there. The very fact of their being prevented from dealing with that land must have seriously affected their finance. Sir, I think whatever proposal the Government may make in the direction of extending fair treatment to these debenture-holders should have the support of the House, and I hope the position which, I understand, the honourable member for Masterton intends to adopt to oppose it- An Hon. MEMBER .- A good many of us are going to oppose it. Mr. T. MACKENZIE .- The honourable gentleman will oppose anything that has not votes hanging to it. If he and other honourable members did not succeed in getting huge sums spent in their districts we should never see them on the floor of this House. Unless the colony is prepared to give these people some consideration for the security they themselves have taken over, you will find that this country will be in very bad odour in the money-market of the Old Country. Unfortunately, we know that now and again some very big transactions are performed by the commercial men of this country which cast a considerable amount of odium upon the reputation of this fair land. An Hon. MEMBER .- They have tried already to injure the colony. Mr. T. MACKENZIE .- If you think that people are likely to sit quietly without taking some action, when their money has been filched from them, you expect men to do what is contrary to human nature. But, Sir, I do not think there has been anything like a great attempt to interfere with the successful flotation of the colonial loans, as has been stated from time to time. I believe this colony can get any amount of money, and on very good terms. Whenever we want money from the Old Country, so long as the securities of the colony continue good, we will get our money; and I do not think the action of the debenture holders, except to a comparatively limited extent, will injure the reputation of the colony. I believe that the proposal to extend some concession to these people will have the support of every right-thinking member of this House. Mr. McGOWAN (Minister of Mines) .- Sir. I was rather surprised to hear the last speaker imply that the colony was doing some injustice to the debenture-holders, because he must know that the auriferous reserves to which he has referred were made according to agreement and in terms of the contract, and he must also know that at every stage the position of the colony has been maintained, both as regards its legal position and as regards the moral aspect. With regard to the credit of the colony we know that attempts have several times been made by interested parties to damage it ; but that has been done, I believe, without due consideration and with

anything but justice to the colony. The honourable gentleman asks that justice should be done to the shareholders. Well, I

<page:1137>

justice should be done to the shareholders ; but a bar to the development of that company. if we stuck to the strict lines of justice, then, : : I imagine there would be very little for the shareholders, because, under the present con- ditions, the shareholders would have to claim against the promoters of what is practically a defunct company. Undoubtedly the debenture- holders have very good grounds for complaint against the company, and against those who made certain representations to them by which they obtained their money ; but they (the debenture-holders) themselves are not altogether free from blame, because we must remember the price that they paid. As a matter of ordi- nary procedure, when people buy debentures they must know from the prices at which they obtained them whether they can be looked upon as secure or not, and they obtained these debentures at a very low price. The honourable gentleman condemned the Government in respect to reserves of auriferous land along the line, as if it was a serious interference with the company in the carrying-on of its operations. Mr. T. MACKENZIE .- I did not condemn the Government. Mr. McGOWAN .- The honourable gentleman should know that the provision for reserves came within the terms of the contract. How- ever, I do not wish to take up any further time at this stage of the session. I know it is the desire of many members to grant a reasonable consideration ; but I cannot help contrasting the action of those honourable members who now wish that large sums of money should be granted in favour of this company, or the debenture-holders, and the action these same gentlemen took when the San Francisco mail- service proposals came before the House, where & comparatively small sum of money was in- volved, and valuable services rendered to the colony ; while in this case, though there is no liability, legal or moral, yet we are prepared to treat the petitioners better than they deserve. I only wish to say that the report of this Com- mittee, and the proceedings that have been taken from time to time, bear out the fact that the Government has dealt kindly and leniently in every instance with the company; and even now, I believe, the general feeling of the coun- try is that, though the company may have no legal right, it may not be imprudent to grant some consideration to these debenture-holders. Mr. T. MACKENZIE (Waihemo) .- Sir, by way of personal explanation, I wish to say the honourable gentleman who has just sat down, in stating that I maintained the Govern- ment had done an illegal act to the company, unconsciously misrepresented my argument. What I said was that, owing to these extensive continuous reserves being made along the line of route, the financial operations of the company had been materially interfered with, inasmuch as they had not the power to deal with a large extent of the lands which were included within their rights, and to that extent I say it was a serious impediment. I do not say the Govern- ment acted illegally, because the Government had a right to do it, yet they stretched their VOL. CXIX .- 71. Mr. McGOWAN .- I accept the honourable gentleman's apology for the position he has receded from. Mr. R. MCKENZIE (Motueka). - There is no necessity to reply to the remarks of the honour- able member for Waihemo, because, to any- body who knows anything about the subject he showed himself wholly innocent of any know- ledge of it. The honourable gentleman says the reservations were along the line. Sir, some of the reserves made for mining purposes are over a hundred miles distant from the line. I am surprised also at the statement made by the Hon. the Minister of Justice, because he, at all events, should take a liberal and im- partial view of this question. The honourable : gentleman says in this case we are proposing to give away £130,000 for which the colony is receiving nothing at all. Now, as a matter of fact, the colony is receiving a most valuable asset for this £130,000, and I, personally, am bound to say that the Public Accounts Com- mittee is not giving the petitioners anything like liberal treatment in the resolution they have come to. The Hon. Mr. McGOWAN .-- That is in your own report, and you were Chairman. Mr. R. MCKENZIE .- I will deal with the Commissioners' report. We were asked to re- port under certain conditions and in

compliance with certain existing legal restrictions, and we did report under these conditions, with the fullest impartiality ; but at the same time I do not stand up here and say that, while £192,000 might be the value to any one buying in the open market, and having the restrictions imposed by the Railways Construction and Land Act of 1881, that that is the value to the colony at all. It is worth a great deal more than £192,000 to this colony at any time. The Hon. Mr. McGOWAN .- You signed the report. Mr. R. MCKENZIE .- The report was strictly in accordance with the Commission issued by the Government ; but this is the position : If the colony had constructed that line it would have cost at least £600,000-every shilling spent on the Midland Railway. There are other public works of a similar nature brought into the evidence taken by the Commissioners, to allow a comparison of the cost of this work with similar work in the colony. I undertake to say that if the colony had made that line it would have cost \$600,000 to \$650,000. Now, I take it that one question for the House to consider is whether the Crown should appear as a partner in the Midland Railway contract ; whether when the company was induced to go into that contract the inducement offered by the colony did not to some extent lead them to think that the colony was a partner in the concern, because the colony offered and gave land-grants equal to about half the value of the cost of construction. Well, out of those land-grants, and in works and money handed over to them by the Government, the company realised \$350,000. I should say the colony, if it wishes to be just and equitable in

<page:1138>

than the £130,000 mentioned in this report, otherwise they should get nothing at all. Personally, I look upon it that the honour and credit of this colony is worth a great deal of money, and also I am thoroughly convinced that the railway is worth a great deal of money to the colony. But I am not at all afraid of any influence these debenture - holders may endeavour to exert on the Stock Exchange in the Old Country or anywhere else. I look upon the whole question as a moral obligation on the colony, and from that point of view I am satisfied the debenture-holders should be paid more than the amount recommended by the Public Accounts Committee. The railway is worth to the colony at least half a million of money, and we should hand over to the debenture-holders the difference between what we have already paid and the fair cost of the line to construct. Of course, to any one else it is not worth more than £192,000 on account of the restrictions laid down by law. In making out this report the Commissioners put no selling-value at all on the Springfield section, because it had no earning-power. But at the same time if honourable members go through the evidence they will see there that the line would be worth £8,000 to £10,000 to dismantle. The rails and bridge material, if anybody was allowed to take them up, would fetch a sum of about £10,000. Then we have nearly seven miles of railway at the Nelson end. Does any honourable member mean to say that, though the terms of our Commission did not allow us to place any selling-value on that section of the line because it had then practically no earning-power, that portion of the Midland Railway is valueless ? I undertake to say that that line in a few years will not only pay 3 per cent. on the cost of construction, but it will make the Nelson Section of the Government Railways profitable, because an extension of ten miles that is now going on will bring that line into very fair bush country. Since the date of vesting the line in the Government and the raising of the Midland Railway reservation, at least thirty thousand acres of land at the terminus of that extension have been taken up for settlement ; so that the settlement that is proceeding and the carrying-away of the bush will make the Nelson Section of the Midland Railway and the Government Railway also pay. Therefore, although there is no value whatever put on the £63,000 that that line cost to construct, still I am satisfied it is worth at least £30,000 to this colony. Then, take the line from Reefton to Jackson's, via Stillwater. say that railway is going to be one of the best paying lines in New Zealand. I suppose if the railway accounts could be separated we would find that the Reefton Section is now paying 3 per cent. There is a large area of some of the finest bush in the whole of New Zealand along this line, and there is also a very large area of fair land. When

the Commission was going round that district we found several sawmills were in course of erection. The export of timber from Greymouth last year was about 20,000,000 ft., Mr. R. McKenzie along the Midland line. As soon as the timber industry is fully developed, and the railway is extended a little further, the traffic on that line is bound to increase very materially indeed. Then there is another view to be taken of the question. I believe that mining at Reefton would have been practically at a standstill had it not been for this railway construction. Now Reefton promises to be a very large quartz-mining centre in the immediate future - in fact, it is now - but it promises to be much more so-and we have it in evidence that one of the most valuable coal-fields in the whole of the colony is at the terminus of this railway. It is most remarkable, but nevertheless a fact, that they are actually now carrying coal from that field, by cart, five or six miles to Reefton, and then by rail it is sent fifty miles to Greymouth, and is selling in Greymouth at 6s. or 7s. per ton more than local coal; so that with an extension of this line up the Inangahua Valley we will have one of the most valuable railway assets in the whole of the colony. Now, Sir, I do not wish to detain the House any further on this question, because as a Bill is to be brought down I may have something further to say on the subject later on, but I am certainly strongly of opinion that the House, if it is going to be just and not generous at all in dealing with these debenture-holders, should go a good deal further than is proposed by this report, and so save further complaints afterwards. The colony has got a property worth \$500,000 or more-I think it is worth £600,000 to the colony. I am satisfied that when this line is completed-as completed it must be, and as no doubt the whole of the Midland Railway will be in the future-it will pay just as well as the other railways in the colony. I am perfectly satisfied that it will pay much better than the Otago Central Railway, and will pay as well, if not better, than the Auckland Main Trunk line. Objection has been raised by the honourable member for Masterton to the Midland Railway debenture holders coming here by way of petition after they had exhausted all their legal remedies; but I would point out that almost every petitioner who comes to this House exhausts all his legal remedies before coming, because if he has any legal remedies at all left he has no right to come here? It has been established fairly and distinctly, beyond any shadow of doubt, that the Midland Railway Company or debenture-holders have no legal claim against the colony; but have they got a moral and equitable claim against the colony? I am one of those who believe they have. There is large number of people in this colony who believe that the colony ought honestly and justly to pay the claims of the Midland Railway debenture-holders. Personally, I do not go as far as that; but I say the colony should pay a reasonable share of the fair cost of construction beyond the £57,000 that it received from the debenture-holders subsequent to the seizure. The colony has got a very valuable asset, and ought, at all events, to treat the debenture-

<page:1139>

saying what they have on this subject-of course. it is because of want of intimate knowledge. Take the honourable member for Hawera, for instance. He thinks because he had some grievance in his district a few years ago, the debenture-holders should be treated in a most unreasonable manner. I think the taxpayers of the colony are ready and even anxious to see the honour and credit of the colony maintained and justice done to the debenture-holders. Mr. T. MACKENZIE (Waihemo). - The honourable gentleman stated that there were no mining reserves within a hundred miles of the railway. Mr. R. MCKENZIE. - No; I said some were a hundred miles away. Mr. T MACKENZIE. - My contention was that they were along the line of railway. Here is a map showing for a distance of fifty miles adjacent to the line almost every acre is reserved, thus showing that my contention is absolutely correct. Mr. HALL - JONES (Minister for Public Works). - In reference to what the last speaker said I would point out that nothing was done in respect to the mining area but what was provided for under the law and the contract-not an inch so set aside but was properly set aside by the Government; and if it had not been done the Government would have been guilty of a dereliction of duty. My object in rising, however, is to say that I shall be prepared to take a

division at once, and for the House to decide if the report is to be referred to the Govern- ment for consideration. This report has come down when the large majority of members have not an opportunity of making themselves acquainted with the recommendation and the position. The House has to arrive at a con- clusion with the bare report before them, and with the statement of the member for Welling- ton City, who is the Chairman of the Public Accounts Committee, that it is unwise and pre- judicial to the best interests of the colony that the report should be accepted. Those who are not acquainted with the facts of the case may take a course which will lead to further delay. We are approaching the end of the session, and if the report is referred back to the Committee there is some probability of it not coming forward again this session. Since the report has come down, we should defer dealing with it until we come to deal with the Bill, when members will have had the op- portunity of studying the position and ascer- taining the facts, and on that Bill let the House say whether or not they will agree to the report of the Committee. What I want to point out is this : Some honourable members appear to think that the colony will get nothing if the report is given effect to. For this £130,000 recommended what are we getting? We shall have over seventy miles of railway completed and in working-order. That is what we are getting- An Hon. MEMBER .- Is that all it cost ? Mr. HALL-JONES .- No; it cost a great cost much more than half that sum. It is true the colony has contributed by way of land- grants over \$300,000, the value of which was given in many cases by the construction of the railway. Members want to bear this in mind in coming to a conclusion on this question, and that is why I ask them not to refer this back to the Committee. Mr. HORNSBY (Wairarapa) .- I have heard a great many remarks in regard to the history of this railway, and have been astonished to learn from some older members of the House that the people of the colony and the members of this House do not know its history! All I have to say is, if there are any members in the House who do not know the history of the rail- way they ought not to be here in that position. I do not think there is a man in the colony who does not know the complete history of this com- pany. We have been told over and over again that a valuable asset has been provided for the colony by the company, and certain sums have been expended by the company on this railway to make it valuable; but what about the ex- pense the colony has been put to to fight the company ? What about the legal expenses ? Have we had a single word said about them ? Who was the gentleman in this colony, at the beginning of the trouble with the company, who pitted his opinion against that of all the legal luminaries of the time? The Premier, who comes to the House to-day and asks the House -inferentially -to vote this company £130,000 of the people's money. An Hon. MEMBER .- He did worse in 1894. Mr. HORNSBY .- I do not care what was done in 1894. I am speaking of the present moment, and I say the right honourable gentle- man was justified in the attitude he took up at the inception of the case against the company, and he was bombarded and blackguarded from one end of the colony to the other and spoken of in Great Britain as though he were a highway robber. No evil word was bad enough to throw at him at that time, and yet he was justi- fied in what he did and said, and every word he uttered and every statement he put forward was justified by the findings from the Arbitra- tion Court, presided over by the Hon. Mr. Blake, up to the Privy Council in England. I know every step that has been taken in this matter, for I have taken personally a keen in- terest in it: but I am astonished to find out that we are asked, as the people's representatives, not to pay this sum as a right or as what they are actually entitled to, but to pay £130,000 as the result of an ad misericordiam appeal by somebody on their behalf. I want to know how this change has been brought about : who helped to bring about this change? What has been going on behind the scenes to induce this change of front on the part of a number of people in this House ? An Hon. MEMBER .- The Stock Exchange. Mr. HORNSBY. - There must have been something more than the Stock Exchange. I should not like to say what I think has been

<page:1140>

some members of the House. They say that the honour of the colony is at stake in this matter. Very well ;

if the honour of the colony is at stake, if it is a matter of honour we should pay, then let us pay in full, or not at all. Either we must pay the whole amount or we should not pay anything ; and I say this distinctly : that, so far as I am individually concerned-and I only speak for myself-I will do all I can, and I will use every form of the House, to prevent the paying of anything of this kind. Debate interrupted by the half-past five adjournment. # REVENUE RETURNS. Mr. SEDDON (Premier) brought up the following statement, which he read to the House :- Statement showing the Revenue for the Seven Months ended 31st October, 1901, and for the corresponding Period of Last Year. Seven Months ended 31st October, 31st October, 1900. 1901. s. d. Consolidated Fund Ordinary Revenue 1,248,817 16 01,234,931 12 8 Customs ... 431,036 10 9 Stamps 414,632 11 6 Telegraph 42,475 Post and 38,405 16 11 9 11 cash receipts 4,334 Land-tax 1,836 3 0 Income-tax 6,114 5,559 9 5 7 Property-tax ... 47,204 5 Beer duty 6 44,157 Railways 985.145 12 2 889,933 Registration and other 39,495 11 2 34,481 fees 15,477 7 Marine 17,925 5 11 .. Miscellaneous 71,167 15 11 62,603 19 ... Territorial 42,990 11 Cash land sales 43,568 17 5 Deferred-payment land 5,257 18 6,765 16 6 sales 89,968 2 Pastoral rents, &c. 91.517 18 3 Totals 3,014,581 4 102,901,223 18 0 Mr. PIRANI .- Give us the expenditure. Mr. SEDDON .- I have given you enough figures for you to understand at one time. move, That this return do lie on the table, and be printed. Motion agreed to. HOUSE RESUMED. Mr. DEPUTY-SPEAKER resumed the chair at half-past seven. RAILWAYS AUTHORISATION BILL. A message was received from His Excellency the Governor transmitting draft of a Bill in- titled, " An Act to authorise the Construction of Certain Railways," and recommending the House to make provision accordingly. Message referred to Committee of the Whole. # IN COMMITTEE. On the question, That provision be made in accordance with His Excellency's message. Mr. Hornsby should have some information as to what rail- ways are recommended in this Bill. If the Minister for Public Works is recommending the construction of any fresh railways I hope he will not forget to put in the Bill provision for the extension of the Waihi Railway to Tauranga, and also provision for the extension of the Gisborne-Karaka line to Opotiki, Whaka- tane, Rotorua, and thence to Tauranga. In fact, I trust the honourable gentleman has already made provision for the authorisation of this very important line. Otherwise, as the other railways are comparatively unimportant lines in comparison with the one I have men- tioned, it would not be worth while bringing down an Authorisation Bill this session. Mr. HALL-JONES (Minister for Public Works) .- The honourable gentleman will see the Bill when it comes down. Resolution agreed to and reported to the House. Bill read a first time. PAYMENT OF MEMBERS BILL. Mr. SEDDON (Premier) .- In rising to pro- pose the second reading of this Bill, I feel that I am doing that which has been required for many years. Honourable members will pro- s. d. bably wonder why I should make a statement of that kind. It has been said that, owing to what occurred last session, and the pressure that was brought to bear, the Government and the Premier had come to the conclusion, and on that account had promised to bring forward 3 4 3 a Bill providing for the increase of the payment of members. Sir, I will refer honourable mem- 8 5 bers to Hansard, Volume 36, of the 6th July to 5 10 9 4 the 29th July, 1880, and they will there find that I stood in this House in 1880 moving the second reading of a Bill making provision for 8 the payment of members. 1 am doing the 5 same to-night. 6 Mr. MASSEY .- Private member's Bill. Mr. SEDDON .- Yes. Mr. MASSEY .- Introduced by Governor's message ? Mr. SEDDON .- Introduced by the member for Hokitika; and I was just casually going through my remarks on that Bill, and I would I not alter a word, but I would say that during this period of years those who have represented the people have not been adequately paid for their service, and with triennial Parliaments. with contingent expenses thrown upon honour- able members, it behoves, in my opinion, the people of this country to pay fairly for services that are rendered. Indeed I hold, myself, that when you come to take the cost of an election. when you come to take the calls that are made upon members to sustain and maintain their position, that the amount you are paying is not a fair remuneration. It is the position. and not the person holding it that must be considered. I shall later on come to the details, to show that if you

are to have the colony properly and fittingly represented, and to have all shades of public opinion, that you should not bar the representation of the

<page:1141>

the right to select their representatives in this House. Members should be able to come here without being barred because of their want of means or position in the world. I say that is a sound argument. There should be no bar; but as long as you pay the amount you are now paying it is a bar ; and there are a number of men who have been members of this House and representatives of the people who have found themselves at the end of their time in debt. If they had not come here to represent the people, but had gone on with their usual occupation, these very same men and their families would have been better off. The question to ask is this : Should the colony ask that sacrifice to be made ? and my answer is, No. Does it apply to all ? I say there are very few exceptions it does not apply to. On the 7th July, 1880, at page 64, I said,- "With triennial Parliaments and an extended franchise they would not be doing their duty to the people of this country if they did not place members of the House in an independent position." And I had something to say about the representation of Wellington, and the exceptional situation of members representing this city. This is what appears here,- " He wished, however, to say this : that those honourable members who resided in Wellington, who could attend to their business during the day and came to the House in the evening, were not entitled to the same amount as members who came from a distance and had to leave their business altogether, the result to them being a great indirect loss." I was not so severe as some people who go the length of saying that you should disfranchise Wellington and place it in the same position as Washington ; but I did think that members who were able to be at home at night, and live at home, and attend to their business, might have some difference made in their remuneration from what is paid to other members. But in this Bill, knowing that if I was to attempt to make such a distinction as that it might cause debate, that provision has been excluded. Mr. SYMES .- Some one else will move it. Mr. SEDDON .- Well, then, you are going back to what I thought in 1880. On the next page I am reported to have said as follows :- "Then he came to the question, Is payment of members necessary under present circumstances ? It had been argued by some that it was a very inopportune moment, now that retrenchment was the order of the day, for him to bring forward a measure of this kind ; but he said that now was the time, because they were twelve or eighteen months from the next general election, and, if they affirmed the principle now, the electors would then be able to judge of their paid representatives when seeking re-election. it was not fair for some representatives to be placed in the position they were placed in by members of Parliament who had more coin with Her Majesty's figurehead upon it than less fortunate gentlemen." out that speech, I do not think it would be necessary for me to say anything further. Contrast the position of the colony now with its position in 1880, and even the year when we passed the £240, and I think honourable members will admit that we can well afford to pay this £300 a year. The country should not ask members to make the sacrifice they are making. It is well known that some members come here from the carpenter's bench, and it is well that there should be that representation ; but once having been members they cannot go back to the bench, even if they wished to do so, nor do their fellow-workers desire that they should do so. Then, again, there is a difficulty in their obtaining employment. An employer does not care to have working in his workshop a member of Parliament, as we know things are said about it, and practically as soon as he becomes a member of Parliament his entire existence is changed. He has his £240 a year. Out of that he has to pay his election expenses, and the expense incurred in travelling through his district, in keeping with his position - not, probably, in keeping with his means -- and he has to meet other calls that are necessarily made upon him from time to time; and every honourable member in this House must admit that very heavy calls are made upon him from the fact that he is a member of Parliament. Now, do the people of the country desire that members should make this sacrifice? I say, No. The increased cost, as provided in this Bill, if spread over

the entire population, amounts to about the smallest sum you could mention : £6,000, spread over eight hundred thousand people. I, therefore, say that, looked at from that standpoint, whilst the sum is small to the individual representative, it means the difference between a man being able to make some provision during life for his family and himself for years to come and not being able to do so. Under existing conditions he is in a worse position than he would have been if he had followed his ordinary avocations, even though working at a carpenter's bench. Now, I do not think the country wants that. I will come now to a man in business, and I say he is the heaviest loser of all. He may have partners or a partner, and, in that case, the counsel that takes place between them in respect to the business is lost, and, however good and able the partner may be, there is bound to be a loss. and in place of this counsel there is the additional loss of advising the absent partner and keeping him posted up in the business. However, I will leave that, and come to a member carrying on business without a partner, and what is the effect there? I do not care how good a manager he may have, without the head of the firm being there losses are entailed. Credit is given where no credit should be given, and money is uncollected that should have been collected and would have been collected had the head of the firm been at home and looking after his business. If you take the balance-sheet and put the cost to the representative of

<page:1142>

being away from his business and attending to Parliament on the one side, you will generally find it represents the whole of the honorarium on the other. Then there are the dual expenses. No doubt some members will say there is no necessity for members of Parliament to maintain a position ; that they ought to be exactly what they are at home when they are in the City of Wellington. Well, I do not care who the member may be, I say, whilst here there are ever-recurring expenses. Every day almost there is some call or other, and each member is desirous of doing like his fellows, with the result that at the end of a session he finds himself behind. I could give cases that I know of, and which cannot be denied. Take a member who comes into Parliament after a hotly-contested election. No man likes to be defeated, and, though he does not go in for lavish expenditure, yet before he becomes a member of the House he finds himself £50 or £60 out of pocket for legitimate and reasonable election expenses. We must recollect that when the writs are issued he ceases to be a member, and there will be, at all events, an interval of a month or two months from the time he was a member before he receives anything at all. You must deduct this from the first 8.0. year's honorarium. A month or two afterwards he comes to Wellington to represent the colony. The time he is here his constituents' salary is not sufficient. He is still his election expenses to the bad, and he goes on from the commencement of the Parliament to the end. The colony has had his services, and he is left in a worse position than when he started. This is a stubborn fact, well within the knowledge of a large number of members. I consequently ask the House, Does the colony wish that to go on ? In my opinion it does not. say that an additional £60 per annum would make the difference, and it is not asking too much. Contrast this with what is paid in the other colonies. We have it often put before us that we should do as they do in the other colonies. Well, the Colony of Victoria, in the sixties, paid \$300 a year. Take the population and the position of Victoria then, and contrast it with the position of this colony, and it is not at all unreasonable that we should put our colony on the same footing as Victoria. In New South Wales was in the sixties. they pay a sessional allowance of, I think, £50 or £60, in addition to the salary fixed by law. This brings them up to the same amount as is paid in Victoria, and they deduct nothing for absence. This brings up the amount I am asking the House to vote. We come now to the latest Parliament-namely, that of the Commonwealth. The salary fixed there is £400. I say New Zealand is in a better position than any of the State Parliaments, and they make no reduction owing to the Commonwealth Parliament coming into existence. Then I come to a material factor, to which I call honourable members' attention-namely, remuneration paid by the people to those re- in the Melbourne Parliament the great majority of members go home by the night train, and make a practice of doing so. Mr. Seddon Mr.

TANNER .- Then they knock off earlier than we do. Mr. SEDDON .- Of course they do ; but there is this difference : if you did that, you would be sitting here all the year round. Owing to the configuration of the country, the members there can attend to the business of the day, come down in the evening, attend Parliament, and go home the same evening. There are some parts of this colony to which members cannot go home at all during the session. They come here in June, they have to leave their business and everything else behind them, and they do not return to their homes until October or November. An Hon. MEMBER .- Leave of absence. Mr. SEDDON .- If they have leave of absence they have to pay the cost of their passages ; and if they are away from a sitting of the House £2 is deducted from their salary. When honourable members really look at the situation I cannot understand why there is this feeling engendered as against the passing of this measure. My own feeling is this : if you want your work done well you must pay for it. If you want your work done cheerfully, give an adequate return for it. I say the same thing applies to members of Parliament as applies to any ordinary work in life. Then I must take members from the colony to another country. I have been rather disappointed to find some of the advanced Liberal members of the House objecting to these proposals. Why, the Liberals at Home not only advocate the payment of a salary, but they also advocate the payment of election expenses, so that we are behind as compared with the Liberals of the Mother-country. We know, of course, that in the Mother-country there has been representation in the House of Commons of various interests, and that members have received payment at the hands of the persons or the interests which sent them to Parliament. And when you come to recollect what has been paid to members of Parliament representing the working-classes at Home with what we are fixing under this Bill, it will show you that the workers in the Mother-country put their hands in their pockets, and are prepared to pay much more than we are asking to be paid under this Bill to honourable members. I think that an argument of this kind should have weight with honourable members. I now come to another phase of the question-namely, there are members in the House to whom the payment of the additional £60 a year is nothing-the circumstances are such that they do not feel the receipt or not of that amount. It would be all the more generous on their part - it would be all the more in keeping with what I conceive to be the duty of one so favourably situated - to wish that this extra amount should be received by others who are not so well placed. Then we have to consider this: Is the amount asked for in the Bill a fair representation of them ? The whole thing is summed up in those words. I say the amount asked is reasonable ; that fair representation, devotion

<page:1143>

demand that this amount should be paid by way of salary. I think it is much better for members to openly and honestly support a measure of this kind, and place, as I said in 1880, a member in an independent position, than to go along under existing conditions when we all well know the amount paid is insufficient. Mr. ATKINSON .- It is better than putting it on the supplementary estimates. Mr. SEDDON .- The member for Wellington City (Mr. Atkinson) says this is the proper way to do it. Hon. MEMBERS .- NO. Mr. SEDDON .- Well, I will prove it. He said it is better to do it this way than put it on the supplementary estimates, and that means this is the proper way to do it. At all events, we heard a good deal last year on the matter, and the trend of the argument then was this : " If the Government come down with a Bill to increase the salary, then we will give it favourable consideration. That is the proper way to do it." Very well, the Government have now brought down the Bill, and we hope to see it placed on the statute-book of the colony. Members may feel that this is a reasonable salary to pay, but at the same time fear that some of their constituents might take exception to it; and I ask that they should not watch the lobbies carefully to see that the "Ayes" are all right, and then go into the " Noes " lobby - their hearts in the " Ayes" lobby, and their bodies in the "Noes." This country does not wish to have representatives of that kind. In my opinion the country will be with the man who feels that his services are worth the salary and boldly votes for it. They will think more of him than of one who, while he says he is adequately paid, is

always complaining of the calls made upon him, and yet, when the opportunity came of manfully voting for the increase, votes in the opposite direction. Human nature is human nature, and in my opinion there is no member of the House who will stand on the platform and, feeling convinced of the merits of the case, would say he is asking too much. If he goes boldly to the country the country will say " Very well." Of course, I shall be told, as I was told last year, that this matter ought to come before the electors, and that, if passed at all, it should be made applicable to the next Parliament. Well, I say some one has to take the responsibility, and as I have said in 1880 I now repeat : there are twelve or eighteen months to run before the general election takes place. There is time between this and the elections for the people to understand and appreciate what their members have done. They will then have a full knowledge of it ; but if you do it just before the elections what do your opponents say ? During the elections they endeavour to use it against you. They tell the country that you are a self- seeker, and that you are not looking after the country, but your own advancement and prefer- ment. Then, when the electors have time to judge of the situation, and the country to think would suffer. I say the time to do it is now, and there will be time between this and the general election for the electors to express their opinion upon it; and I say here, with some sense of responsibility, my own opinion is that we are justified in making the in- crease. If it was thought too much, or if the electors thought the man whom they returned was not worth it, they would never forgive it; but if they are satisfied that the member is worth it, and that his services have justified it, my own opinion is that they will indorse the course he takes. If you say that it should not be agreed to until the electors have been consulted, you may do the same in regard to every important measure that comes before the House, and say, " Taihoa, do not do anything until after the election.' You have got to take responsibilities as long as you are here, and meet cases as they arise. As far as I am concerned, there is no mistake, because from the time I first entered the House until the present moment I have always advocated the payment of members, and I have always advocated £300 a year; so that there is no inconsistency as far as I am concerned. And, so far back as 1879, there was a majority of the members in the House who considered that £300 a year was not too much. There were a number of members then, probably, as there is now, who, because they knew their fellows were less fortunately situated and must maintain their position, took advantage of those members to twit them ; and yet in the past I have known members who would only have been too delighted to have seen the proposal carried, and who, for reasons which I will not mention -- or, if I did, it would not be altogether to their credit-- did not openly vote and support it. Sir, I do not think it is necessary for me to say anything further. You have restored many reductions that were made in the years of depression. You have raised the salaries of your Civil servants, you have raised the salaries of your Ministers, and it follows, I think, as a natural corollary that you should raise the salaries of the members of Parliament. Mr. ATKINSON .- Are there any more to be raised ? Mr. SEDDON .- Yes ; there are one or two other increases that require to be made, and I know the honourable member will not be found objecting when that question is raised. Mr. ATKINSON .- If you propose to increase the salaries of the Judges, I will vote for that. Mr. SEDDON .- Time will tell. At all events, the position now is a fair one. The amount of increase asked for is \$60 a year for the members of this House ; and, as far as the members of another place are concerned, in speaking in the House on that question on the 2nd December, 1879, I am reported to have used these words :- "With triennial Parliaments and the redistribution of seats it was absolutely necessary that the payment of members should be fixed by statute. He believed that constituents

<page:1144>

satisfied that the honorarium should be fixed at two hundred guineas. He told his constituents that he intended to vote for that amount, as it was fixed by resolution of this House before he was elected. Every honour- able member who was elected since that resolution was passed was entitled to vote for the amount being retained as it originally stood. He would vote for it without any diffidence whatever, and if

his constituents did not think his services worth that amount let them get some one else." An Hon.

MEMBER .- Was that not a first ses- sion ? Mr. SEDDON .- Yes, this was a first session ; and sometimes we would get two sessions in the year, which meant £420. I also mention, Sir, the fact which I now recall as regards those gentlemen in another place. We have decided, and I think wisely, that there shall be a complete and full representation of all classes in our country. We have decided, of course, that labour shall be represented there ; and to take a man receiving £3 10s. a week and place him in the Legislative Council at £3 a week, and preventing him from follow- ing his ordinary occupation, and to ask him to go on on these conditions, is, I say, simply keeping a man in genteel poverty. I say the amount we are prepared to give them now-an additional £50, or £200 a year-is reasonable in the extreme, and I believe the House will do well to pass this measure. I feel satisfied that the country will indorse it. I repeat that the amount involved, spread over the entire popula- tion, is almost infinitesimal ; and, what is more, I believe that a member serving the country, and feeling that he is adequately remunerated, works with a better will, a better heart, and with better devotion than he does when he feels that he is not receiving what he is justly entitled to. On that ground-that he is en- titled to it, and the country is prepared to award it-I move the second reading of the Bill, trusting that all the members will receive it in the spirit that it is moved and intended, that one member will not endeavour to make capital against the other, whilst in heart believing that the amount proposed is not too great. Mr. PIRANI (Palmerston) .- The Premier's speech in support of this measure may be divided into two classes-special pleading and innuendo : special pleading on behalf of an increase of salary for those who are supporting the measure, and all sorts of innuendoes against those mem- bers who may be in opposition to it. Now, I do not think it becomes his position that the leader of the House should anticipate in his opening speech those members who are going to oppose the Bill. In the first place, he put down amongst those who are going to oppose the Bill the wealthy members of this House. With probably two exceptions, the Premier himself is the wealthiest member of this House ; and I do not think the Premier is going to oppose the Bill. Mr. SEDDON .- If that is the position, they are a very poor lot. According to what you Mr. Seddon am. Mr. PIRANI .- I am - in my conscience, which is a clear one - very much better off. If the Premier looks at the land-tax and pro- perty-tax returns he will find that what I say is about correct. I do not think it is at all likely that any member of this House, because he has ample private means, is going to oppose the measure for that reason alone. Then, another class of members the Premier said were going to oppose this Bill-and I rather had my doubts, Mr. Speaker, as to whether you were going to allow him to proceed-were those who would not oppose the measure openly and honestly, as well as those who would go into the "No" lobby whilst their desires and wishes were to be in the " Aye " lobby. If that is not calling into question a member's honesty and making re- flections of a personal character-against our Standing Orders -- I am sure I do not know what personal reflections are. Then, the Pre- mier said a reason for passing the Bill at this stage was that we had to reconcile the people to it, and that they would be better reconciled if the system were in force for eighteen months than they could possibly be in three or four months. Well, I never yet heard that any man or woman had any need to be reconciled to what was right or proper. Mr. HORNSBY .- Oh, yes. Mr. PIRANI .- I am just relating my own experience. I am not giving the experience of the member for Wairarapa. Probably he can speak on that point better than I can. Mr. SEDDON .- I have known of a woman marrying a man and then a little while after wanting a divorce. Two years after that she would not part with him for anything. Mr. PIRANI .- When the Premier's experi- ences are of such a nature we can well under- stand why he speaks as he does. My position. I take it, in regard to this Bill is almost exactly on all - fours with that I took upon the Ministers' Salaries Bill and the Governor's Ex- penses Bill. I say that no measure of this sort, affecting members of the House and affecting public revenue, ought to be carried into law until it has been before the people. The Premier says he is a convert to the referendum, and he has actually proposed in this House-his influ- ence does not extend to the other Chamber- measure under which

matters of this sort can be referred to the vote of the people. What was he afraid of at the last general election that he did not refer this Bill to the decision of the people ? And what is wrong with the measure. that, instead of referring it to the people at the next general election, he should want to " reconcile " the people to it eighteen months before the people can constitutionally express their views upon it.

Personally, I may say there is a very great deal in the argument of the Premier, that it does not pay some members to be in Parliament at \$250 a year ; but, then, it does not pay some members at \$1.000 a year. And do you mean to say that because members, who are themselves the choosers, decide to come here for £240 a year-because they are losing

<page:1145>

that they have the right without appeal to the people to put their hands into the coffers of the State and make it up? I admit that members of the House have not privileges that some Ministers have. If a member's health breaks down he cannot spend £2,000 of the people's money on a trip to the South Sea Islands to restore his health to its normal tone ; and if he wants his private door opened by a servant he cannot get a member of the Permanent Artillery, at the expense of the State, to act as door-keeper. If a member wants messages carried, if 8.30. a member wants to go for a drive or take his family in a cab, he cannot do it at the expense of the State like a Minister can ; and therefore I admit, so far as a member is concerned, we have not the advantages and privileges of a Minister who chooses to misuse his position. If members come to this House under deliberate engagement with their constituents-and on many platforms I have seen members replying to questions on this very question of the honorarium-is it right and is it proper that we, without any reference to the people at all, should raise the amount of our salaries ? Personally, as I said before, I do not think members are paid sufficiently, and I think, if a measure like this were proposed to the people, most probably they would give their voice in favour of it ; but I do not think it is a right or proper thing for members to take the action they are taking without consulting the people. Of course, last year we had what is known as " the £40 steal," which was purely a vote put upon the estimates for the purpose of getting a certain Bill through. Mr. HORNSBY .- No. Mr. PIRANI .- Again the member for Wairarapa denies that, and I hope on this point we will agree to differ ; but that is my opinion. An Hon. MEMBER. - It is an insinuation. Mr. PIRANI .- There is no insinuation : it is a plain statement of fact. I say, I believe that the £40 was to be put on the supplementary estimates last year for the purpose of getting the Public Revenues Bill through ; and the time will yet come in the history of this colony when the passing of last year's Public Revenues Bill will be looked upon as one of the blackest blots in the history of the New Zealand Parliament. But the Premier would never have got that Bill through had it not been for that £40. Notwithstanding the fact that the Premier can demand a majority on almost every subject in this House, that Bill would never have become law if it had not been for some incentive, some additional reasons than those set forth in the Bill. Now, the Premier has been making comparisons with the other colonies in regard to the payment of members, and has taken us back as far as the sixties ; yet it is only in 1901-forty years after the time the Premier spoke of-that he has thought fit to raise the honorarium ; although he has for the last ten years of those forty years been in office, he has never mooted the subject of an honorarium of \$300 to the people of this colony. £240 in our time. Mr. PIRANI .- I say the Premier has never yet, during all the ten years he has been in power, proposed to raise the salaries of members of Parliament to what they were in Victoria in the sixties, and I know what I am talking about. The Premier knows that very probably if he submitted anything of this sort to the constituencies the result might be disastrous to the persons advocating such a proposal. I do not think the circumstances of the colony at present, notwithstanding all he has said, are such as to justify the increase of the honorarium or the increase in Ministers' salaries, and if members will look at the expenditure of the colony for the last six months, they will see very clearly where they are drifting to. The Government are at their wits' end at present to raise money for the necessities of the public works of the colony. Where have

we had announced lately any proposal to float a loan in the interests of the colony ? An Hon. MEMBER .- What about the dear old Uncle-land ? Mr. PIRANI .- I do not think we shall get much money for the colony from there, notwithstanding the Premier's guileless attempts to make favour with the "Uncle-land "; and, notwithstanding the assertion that the circumstances of the London market are likely to be more favourable to the colony during the next twelve months, there is evidence that the reverse will be the case. And if loan-money is not to be obtained at a reasonable price, how is the expenditure of the colony to be kept within the revenue ? We know as well as possible that during the last few years the Government have been saddling upon loan a vast amount of the expenditure of the colony which ought to be charged to the Consolidated Fund, by this means making the finances of the colony appear much better than they really are. By putting into the Consolidated Fund moneys like that obtained from the purchase of Native lands, the revenues from land purchased with the North Island Main Trunk Railway Fund, and matters of that sort, Government have been enabled to inflate the revenue to an extent that has helped them to declare the large surplus in our finances. But this sort of thing cannot last for ever, and directly the money-market begins to get tight, directly it is difficult to obtain loan-money, so will our finance become more stringent, and the possibilities of obtaining large surpluses vanish. And I say this is not the time, when loan-money cannot be obtained-when the expenditure is going up at such a rate as to frighten anybody who carefully watches it-to put a charge such as proposed by this Bill on the people of the colony. The reason I say this is not the time, is because I think once this measure is on the statute-book there is not the slightest possibility of its being repealed. If the measure was to take effect at the commencement of the new Parliament, provided that a resolution of the new Parliament were passed bringing it into force then, you

<page:1146>

the people at the general election, with a behest to their representatives as to whether they should support an increased honorarium or not ; but it is an improper thing for the colony at present to be launched into this expenditure almost within twelve months before the termination of the term of the present Parliament. I trust, notwithstanding the reflections the Premier has made on those members who oppose this Bill, they will not be influenced by this, but, if they think it right the measure should not apply to the present Parliament, they will give their votes in that direction. It is, of course, rather invidious for a member to vote in such a way as may injure or affect some of his fellow-members. I cast no reflections on the supporters of the measure at all. I think that every member who votes for this Bill or who votes against it believes that he is doing the right thing, and that he is doing what the electors who sent him to Parliament think he ought to do, and I claim the same liberty for myself. At the same time I hold that it is much better, as has been suggested by the member for Wellington City (Mr. Atkinson) to embody a proposal like this in an Act, than, as was done last year, to put the amount on the supplementary estimates, and that the vote should be passed in the small hours of the morning on the last day of the session. I think that by doing it in this way you have a full expression of opinion, and you give every member an opportunity of either speaking or voting upon it, and it is not confused with other issues as was the proposal last year. I oppose this Bill because I do not think it is a right thing to do at the present time, and I trust that the majority of the members of this House will think the same way as I do. Mr. HORNSBY (Wairarapa) .- Before I proceed to refer to some of the points under discussion in connection with this Bill, I should like once more, from my place in this House, to deny most emphatically-as emphatically as I am able-the statement which has gone forth again and again, both from the lips of members on the other side of the House and from the Conservative Press, that the price paid for the passage of the Public Revenues Bill of last year was the £40 paid to members on the Government side of the House. I give that an unqualified denial. Parliamentary procedure and the rules that guide us do not permit me to characterize it in any stronger language than that; but there is a short, sharp

word in the English language which does characterize the statement—that members on this side of the House sold themselves for \$40 to pass an Act. I say that there is a short, sharp word in the English language which fully, fitly, and properly characterizes that statement. The honourable gentleman who has just sat down is opposed to an increase of honorarium, but is quite willing to spend \$130,000 of the people's money to recoup a company in London. Honourable members on the other side of the House—the whole of them—are quite willing to vote for every possible in-Mr. Pirani this country; and yet when it comes to the point of paying members of this House an increased honorarium and full value for their services, what do we find? We find them working against it, and why? They are simply acting up to the traditions of their party. Conservatives do not want—they never wanted—payment of members. They have always been opposed to it. An Hon. MEMBER.—Not all. Mr. HORNSBY.—Almost all, and in some cases the exception proves the rule where you find some of them voting in favour of it. Take, for example, the Old Country. We know perfectly well that the last thing that will ever be done by the privileged class of that country will be the payment of members of the House of Commons. But what is the history of the payment of members in that country?—for there are members in the House of Commons, and a goodly number of them, who are paid by their constituents. Let us take the Irish members, for example. Nearly all of them are paid as members of the House of Commons. Was it not the pence of the agricultural labourers in England that paid the salary of Joseph Arch? Was it not the subscription of the miners of Great Britain that gave \$500 a year to Burt in the House of Commons? There are others I could mention—John Burns, for example—who could not possibly represent the people in the House of Commons unless they were paid for their services. The same thing applies in this country. I venture to say, and I defy any member to contradict me, that there are numbers of men, especially on this side of the House, who could not possibly be here if it were not for the honorarium. They are not well enough off to spend four months of the year in Wellington without being adequately paid, and I say they are not adequately paid at the present moment. It may be said I have taken up a most peculiar attitude in this matter: that I have voted against all the increases in salary, and that I have done all I could to cut down the expenditure while the estimates were passing through the House; and that now I am advocating an increase in the payment of members. Sir, I justify that in this way: I say the present payment of members is not adequate. In addressing my constituents during the election campaign in 1899 I said upon every platform that the amount was not sufficient—that was before I got into the House: and I added that if I was returned I should be one of the first to advocate the proper payment of members. I said the same thing last recess, and I challenged a vote at every meeting I addressed. I said, "I am in favour of giving to the members of the House £300. and it is more than likely a Bill will be brought down next session giving members of the House £300, and I intend to vote for that measure. If you are not satisfied with my declaration, I leave it to you now to propose an adverse motion." At every one of the places where I addressed the people I received a vote of confidence, showing conclusively that my people, at any rate, were

<page:1147>

regard to the payment of members in Australia, what do we find? We find that the members in New South Wales have many privileges. They have £35 a year sessional allowance; no stoppages for absence from their duties; and a member, his wife, and one member of his family may travel by mail-coaches, trains, and mail-steamers free of charge. We have nothing of the kind in this country. An Hon. MEMBER.—Mail-coaches? Mr. HORNSBY.—Yes; if a member has to travel in a coach that carries His Majesty's mails he is not charged the fare. In Tasmania they have the privilege of franking all letters and telegrams. Mr. PIRANI.—And a nice scandal it has become! Mr. HORNSBY.—Well, possibly; but there is no possibility of any such scandal occurring in New Zealand, for we are more limited than any other representative Assembly in Australasia. Now, a slur has been cast on members of the House again

and again by the papers of this colony. Some of the papers are for ever talking about the professional politician. They say : " If you raise the salaries of these men you will bring into the political arena more than ever the professional politician." Sir, those of us who know anything about the political history of the colony know it was in the era before the payment of members that the professional politician reigned supreme in this Assembly, and I have heard, and I do believe, that votes were bought and paid for at good round prices, sometimes to the amount of #300. Mr. ATKINSON .- \$40 ? Mr. HORNSBY .- Again I say that the mem- ber for Wellington City (Mr. Atkinson), when he insinuates that that \$40 was payment for a vote, is distinctly stating what is not correct. An Hon. MEMBER .- Too mild. Mr. HORNSBY .- Well, that is the only word I may apply. Now, Sir, there is always a way of testing the virtue of these people who are for ever trotting out their political virtue before the people of this colony ; and I think there might be a proviso put into this Bill when in Committee to nail down those members of this House who say they do not want this money, so that they need not take it until the next Parliament assembles, and if that proviso is proposed I think it ought to be passed. Sir, I will propose the proviso myself if members will support me in getting it passed through Committee. I shall have very much pleasure in proposing that proviso. It would run some- thing in this way: " Provided always that the members of the present Parliament who desire to have the increased honorarium paid them shall fill up the schedule hereto annexed "; and the schedule shall set forth that these gentlemen applied for the increased honorarium, so that we shall nail them all down to it. And then we can go before the country and show who are the virtuous gentlemen who will vote against the honorarium, but who will take ! it, " you bet." I was speaking to an honour- able gentleman the other night in the precincts was raised to very much more than £300 a year he would take it, but he was going to vote against it ! Sir, there is a tendency on the part of some members of this House, and I think it a matter for regret, to decry themselves, to belittle themselves, and to belittle the House to which they belong. To hear some men speak- ing on the floor of this House, one would believe that members who are sent to this House by their constituents are absolutely unfit to re- present the people in any capacity what- ever outside this House, so that this must be the most debased and degraded assemblage -according to the ipse dixit of its own mem- bers-of any assemblage in this or any other country ; and I do hope that members will cease from decrying themselves, and the body to which they belong. I hope that men in this Legislative Assembly will come to realise that, really, this position is one that even the highest in the land would be glad to fill. We know that men of influence and means try very hard indeed to get into this House, and I say that once a man comes here he has no thought of getting out of it until he is " knocked out " by his constituents. So, after all, there must be some great attraction in this House, and why some individual mem- bers should decry their own position as representatives of the people I have been quite un- able to make out. With regard to the mem- bers of the House who are better off in the matter of this world's goods than some of us, I say it is their duty to vote for this increased honorarium, and I will tell them why. It does not matter a snap of the fingers to them whether they get it or not. It will not make one atom of difference, so far as their con- stituents are concerned, because their con- stituents will know they do not need the money, and, therefore, could not have voted for it from any selfish consideration. But, at the same time, these honourable gentlemen know there are some members of the House who are in a position that makes it necessary that they should have the increased honorarium - mem- bers for whom the present honorarium is not an adequate sum, if they are to fairly represent their constituents. I listened with interest to the remarks of the Premier about the expenses of the member who comes here from a distance to represent a constituency. Those of us who have to keep up two homes during the session of Parliament know what the cost is to members. And when the end of the year comes, I take leave to say that, after a member reckons up the little contributions he gives to the various organizations in his district, and the claims and other calls upon him because he happens to be a representative man, he will find that there is a deficit every time. Mr. PIRANI.

- It is not such a " chuck-in" as you thought. Mr. HORNSBY .- I never expected it to be. I have had a good deal of experience of public life in New Zealand before I entered this Chamber, and I know that the man who really desires to faithfully discharge his duties to the

<page:1148>

I look back, and I ask the member for Palmers- ton to do so with me, and I find that of the men who have occupied the highest positions in the gift of the people of the country there is not one who may be said to have died anything but a poor man, because of his devotion to public duty. Of course, it is not, and cannot be, the privilege of us all to occupy those high positions ; but those who try to do well by the people of the colony in the position for which they have been selected have a right to be properly re- munerated by those whom they serve, even in a humble position. I desire to say this, in con- clusion : that I intend to vote to-night on this Bill as I have said I would all along to my consti- tuents-before I was elected, and after. I look upon it that it is a right and proper thing that we should be paid a fair salary for the position we occupy and the work we do. Very often people take a man at his own valuation, and if a man reckons he is not worth \$300 a year, the chances are that the people in his district will not believe that he is worth \$300. There are men who have represented constituencies in this House -they are not here now - who have always de- cided drawing money from the Treasury for their services, and their services were so little thought of by their constituents that most of them were sent to the right-about ; and I know one gentleman, who represented a southern con- stituency, who went back and told his con- stituents that he would not touch the infamous bribe, as he called it, in the payment of mem- bers, and the very next chance they got they turned him out; and then he applied for the money, and he was told he was too late in making the application. He was virtuous ; but it did not come off, and then he applied for the money. An Hon. MEMBER .- He got it, too. Mr. HORNSBY .- Well, if he got it, it is a worse case than I thought. My position is clear. I intend to vote for the measure. I will justify it before my constituents as I do to-night ; and I ask members of the House not to vote for this in a party spirit-not to make it a party matter at all-nor to let any ill- feeling be engendered over the vote that may be passed. Let us vote fairly and squarely on the matter, and those who cannot vote for the increase let them vote against it; but by all that is good and holy and righteous do not let them vote against it and then tumble over one another in their rush to the Treasury to take it, as was the case with some of the gentle- men who voted against the £40 bonus-they called it a "steal "-and yet stole away very quietly and quickly to the Treasury to get hold of it. I hope the Bill will pass. Mr. T. MACKENZIE (Waihemo) .- We have had two speeches in support of the Bill and one opposed to it, or, rather, one that approved of the principle but objected to the methods of enforcing it. We had the Premier 9.0. stating that the present amount was insufficient, and the honourable gentleman then described the various occupations pursued by members of Parliament, and he indicated that Mr. Hornsby bers of Parliament in their service, and he re- ferred to the loss business-men were likely to sustain. If the Premier's contention and the contention of the honourable member for Wai- rarapa is that a sufficient sum should be paid to members so that they may devote themselves exclusively to political life, then the £240 a year may not be enough ; but has the country so de- I do not think clared ? I do not think it has. the country desires that a sum should be placed on the estimates sufficient to enable a man to follow a political career alone. I think the country requires that he should receive an ade- quate remuneration or allowance for his ser- vices, and that he should employ the balance of his time in his ordinary occupation. An Hon. MEMBER .- Another millionaire. Mr. T. MACKENZIE .- I am only sorry the honourable gentleman is not correct. I find I have no more than what is necessary for my own ordinary wants, and, such being the case, his interjection is not to the point. Now, I consider the present allowance of £240 a year is sufficient. It is contended that there are members who do not require the extra assist- ance, but that all who are qualified for and elected to seats in the House should be placed in a position of independence. Well, I am not now going to argue that point out; but this I will say : that the fact that a man was able to do

something for himself in the past, or no? follows an occupation, and is also able to devote his attention to Parliament, indicates-in this colony, at any rate- that he is a man who has shown some ability in the management of his own private affairs, and that, as he has come to the front in his district and in managing his own private affairs well, it is, to some extent, an indication that the interests of the colony might reasonably be intrusted to his hands; and it cannot be contended in this colony that the bulk of the people have started with an income, or with wealth sufficient to put them so much in advance of their fellows. Now, as to the remarks of the honourable member for Wairarapa. He spoke of the allowances in New South Wales, and the advantages obtained by the members of the Legislature and their wives and families. Well. I have run out a scale of the fees paid in the various Houses of Parliament throughout the world. It is up to some few years ago, and is the most recent I could obtain. In Belgium each member of the Chamber of Representatives receives 200 florins, or £16 15s. a month, while the House is in session. In Denmark the members of the Landsting and the Folkething are paid the same salary-about 15% a day. In Portugal, peers and deputies receive an annual stipend of £67. In France, senators and deputies each get 19,000 francs, or £365 a year, the colonial representatives getting in addition their travelling-expenses. In Sweden the members of the Diet receive 1,200 riksdollars-equal to £66 14s. - for a session of four months, and their travelling-expenses. Members of both Chambers are fined 11s. a day if they do not attend. Here we are fined

<page:1149>

from 6s. to 10s. a day. In the United States the representatives and delegates receive \$1,041 a year, and travelling-expenses at the rate of 20 cents per mile. In Norway, the members of the Storting receive 13s. 4d. a day while it is sitting -usually about twelve weeks. In Greece they approach near New Zealand : the senators are paid £20 a month and representatives £10. In Italy, neither senators nor deputies are paid, but they get free railway-passes and taxation concessions. In Spain they are not paid. In Germany, the salaries range from 9s. a day in Prussia to £1 in Austria. I need not quote the colonies, as that has already been done. Of course, I am quoting these figures not as having any direct bearing on what should be paid in this colony, but merely to give an indication of what is paid in other parts of the world. Now, the Hon. the Premier alluded to election expenses, and also stated that the advanced Liberals in the Old Country had urged that election expenses should be paid. My opinions on that point are these: I do not think our present system of payment of members is equitable. That is to say-and this was also alluded to by the Hon. the Premier-I do not think it is fair to pay members all over this colony exactly the same amount. In Wellington, as has been pointed out, members do not require nearly so much as members who live remote from this centre. They can attend to their ordinary occupation, and they do not require any leave of absence, and they are not put to anything like the expense that ordinary members are put to. Then, we have a difference even in our other electorates. An honourable member representing a town of eight or ten thousand people has not anything like the expenditure that a member has in a country district. Mr. NAPIER.-- Far more. Mr. T. MACKENZIE. - The honourable gentleman says, " Far more." We always get an interjection from that honourable gentleman just as wide of the mark as it is possible to imagine. Now, let me show to the honourable gentleman what I mean. He, Sir, represents Auckland, and that is a larger city than ten thousand inhabitants ; and let me describe what his expenses are. First of all, he is never required to go from home; he can return to his own home every evening. He can advertise in his two daily papers, and he calls together his electors in a few of the halls in that town, and there the whole business ends, with the exception of some judicious canvassing on the honourable gentleman's part. But the honourable gentleman has no huge travelling expenses; he has not to hire horses, he has not to hire rooms, he has not to hire thirty to forty places to speak in, he has not to travel through most remote and dangerous country-and yet he obtains exactly the same amount as a man who has to do all this work. I maintain such is not necessary. And, besides, the work of a country member is

greater than the work of a member living in luxury as the honourable member for to be in the forefront in the matter of settle- ment, to see that roads are constructed, and to see that the educational advantages of the people are attended to. The member for a newly settled district or an old settled district is the medium between the people of a large and extensive district and the central authori- ties, and he has to see that all their wants are attended to, and that involves an enormous amount of travelling and considerable corre- spondence. And then, when he comes up to Wellington, he has to be perpetually in attend- ance on the powers that be to see that the interests intrusted to his care are properly at- tended to. What does the honourable member for Auckland City have to attend to? If he secures a service like the San Francisco mail- service or something in connection with a dock his position is assured for a considerable time. An Hon. MEMBER .- He did not secure it. Mr. T. MACKENZIE. - The honourable member says, " He did not secure it." Will any member of this House say that the letter advo- cating the "mailed fist " the honourable gentle- man addressed to his constituents, and which he had wired through the length and breadth of this colony, did not do a great deal to assure his position in the constituency ? They will not ; but he assumes he did it all. Does the honour- able member mean to say that the speech which he described as magnificent, and that he had wired from this House to Auckland, and which message described members as being simply enthralled by the unusual eloquence which emanated from that honourable gentleman, did not help him in maintaining his position here ? That is all, evidently, that is required for a man to establish himself ; whereas a member repre- senting a country district has to give solid and substantial attention and benefits. They are level-headed, the people in the country, and not to be led away by this sort of half chaff. All this involves great self-sacrifice in the matter of time, and considerable expenditure, which is not forced upon those who represent our cities. Therefore I think, if the Premier wishes to carry a truly liberal measure, it is a reasonable thing to entertain a proposal that the Government might bear certain necessary election expenses on behalf of candidates for the House. Look at the expense alone in a country district : it is necessary to advertise in six or eight papers ; you have to hire from twenty to forty different places to speak in; and all the cost of hotel accommodation and horses during the whole of the time. The Premier said an election could be conducted for £60; well, we had the distin- guished and honourable member for Wellington City (Mr. Fisher), who managed his election on 9s. Nature has not been so generous to the majority of men as to him ; he has such a pleasant manner that he has only got to address the populace and say, "Old George will do any- thing for you," and what is the result ? He is in on every occasion. If we could all do as he can we might win an election to represent a city ; but no member who ever sat in this Parlia-

<page:1150>

the very lowest he could not win it under £100. I know when I canvassed that splendid consti- tuency of Waihemo it was necessary for me, in order to meet the wiles of the Premier and the Government, to spend £70 a week in order to make a success of that election. No man, un- less he goes through a constituency and does what is reasonably required of him-unless he pays out of pocket the expenses that are neces- sary-can be an independent member, as is required in this Parliament. I do not believe in members accepting assistance from political organizations. No sooner does he do that than he becomes the slave of that organization. Therefore I think it is a reasonable proposal to make, that allowance of certain necessary expenses should be entertained. I do not sup- port the Bill, for this reason : Although the honourable member for Dunedin City is an authority on constitutional history, he lacks that knowledge of finance that is essential to a successful Minister, and, as he aspires to the Attorney-Generalship, and not the Treasury, it may not be necessary. But the difference is this : I urge the allowance of certain necessary expenses which are bigger in some constitu- encies than others; whereas this additional £60 the honourable gentleman is going to sup- port is going into the pocket of every member indiscriminately, irrespective of the difference of the work in the different constituencies, and that is a very important

consideration ; and, as I have explained this to the honourable member, I think he will appreciate it. I think the Bill requires an amendment as to subsection (1) of clause 5 of the Act of 1892 regarding leave of absence. The Premier alluded to it, and he said in that famous speech delivered in 1880 or 1881 that not only was the time greater in reaching his home, but that it cost him £20 to get there. I think that the allowance amounts should be graduated. Members in the Provincial District of Wellington, who usually take such a prominent part in the discussions in this House, do not require the five days' leave of absence ; but we might leave that, so far as they are concerned, in that position. I think that in the subsection referred to we might strike out the five days and insert ten days for electoral districts outside the District of Wellington, and then members might have an opportunity of visiting their families once or twice during the session. I consider that is very important. There are members who cannot visit their families more than once during the session, and there are some members who cannot even do that. It is a singular thing that whilst a deduction of £2 is made for every day a man is away, if a member of the House of Representatives, there is only a deduction of 25s. a day made in the case of a member of the Legislative Council who is absent for a day. As to the statement that members who are opposed to this Bill need not take the money, and that that is a thing which might be largely availed of by the wealthier members of this House : as I understand it, it has been said that there are only three really wealthy Mr. T. Mackenzie side of the House and the Premier, and, as the Premier is a Minister and does not at the present time draw anything beyond his own meagre salary, it is not likely that he would take this amount even it were passed. These are my views in connection with this measure. I do not think the country has as yet declared that members should be paid this sum, and, until they so declare, I consider that the amount now paid is sufficient. Mr. NAPIER (Auckland City) .- I did not intend to address the House on this measure, but I feel tempted to make a few remarks in consequence of certain observations which have fallen from the Bombastes Furioso of the House, the member for Waihemo. Mr. TANNER .- I rise to a point of order. It is eight years ago since I heard that expression ruled out of order, when applied by one member to another in the course of debate. Mr. DEPUTY-SPEAKER .- I do not see any thing very objectionable in the expression. Mr. NAPIER .- The honourable member for Waihemo said that it cost him \$70 a week during the election in his district, and he questioned the accuracy of my interjection that the election expenses and the annual disbursements of a city member are equal to, if not greater than, those of a country member. Sir, I believe that the experience of every city member is similar to my own-namely, that it is more expensive to contest a city constituency than to contest a country constituency, and that the perennial calls on one's purse are more burdensome in the cities. In the legal and legitimate expenditure of a city candidate, in advertising, printing, rent of halls, and in other ways, a very large sum is disbursed. Then, again, the city members, except those of Wellington, have to live far from their homes, and that, of necessity, adds considerably to their expenditure. But how are some country constituencies won-say, for instance, the constituency of Waihemo? A short time ago I happened to be in a small-potato village in the South Island called Palmerston South, and, while waiting for the train in the evening, darkness came on, and I heard the voice of what I thought was a village orator. I asked one of the bystanders who it was. I said, " Have you a ' Cheap Jack ' in this district ? " He said, " No; that is Tom Mackenzie and his cockatoos." I was not perfectly clear as to what the bystander meant. I thought, perhaps, he was referring to a bird-fancier. So I proceeded over to the assemblage, and there I saw the honourable member for Waihemo vigorously expatiating to those assembled. He was speaking to a number of farmers, and some of his remarks contained the same fulsome self-adulation of which we often get a surfeit from him in this House-how he outwitted the nefarious designs of the London middlemen, plotters against the unfortunate farmers in New Zealand : how he was able during his residence in London to detect one imposition after another; how he found that Argentine or other inferior mutton was being sold for New Zea-

<page:1151>

don were being told by the honourable gentleman to his collected admirers. Then, Sir, a suggestion was made that a topical song should be sung, called " How elections are won at & funeral." Sir, the honourable gentleman's remarks with regard to the expenses of a city member are just about as accurate as most of his remarks in this House. In fact, it seems to me when he attempts to engage in a debate he does so either to amuse the House-certainly not to instruct the House-or to get off a little superfluous steam ; because, when he devotes himself to any particular matter of fact he is generally-as my colleague for Auckland City (Mr. Fowlds) said the other evening- about fifty per cent. out as far as figures or anything else are concerned. I do not agree with some of the remarks that fell from one of the previous speakers, that the £40 vote to members last session was submitted by Ministers as an inducement to have the Public Revenues Act Amendment Bill passed into law. I think that that statement is a most unfortunate one. There was certainly no suggestion of the kind made to members on this side of the House, and there was certainly nothing in the nature of a compact. I defended the Public Revenues Act Amendment Bill on its merits in this House, and before my constituents, and I am prepared to do so again. That measure amplified the power of this House to do its own business without interference. I have contended before my constituents that £300 a year was a fair and reasonable sum to pay members of Parliament, and there were not a dozen dissenting voices raised in an assemblage of a thousand persons in the City of Auckland when I addressed a meeting there a few months ago. I am prepared to vote for the measure, and to submit my conduct to the judgment of my constituents. I do not think it is right that we should continually appeal to each other, when any question of moment arises in this House, that that single matter should be referred direct to our constituents. We are living under a representative Government; we are the people's representatives in a representative Assembly, and it is our duty to vote upon every measure that is submitted to us to the best of our judgment and according to our honest convictions, and then to place ourselves in the hands of our constituents either for their approval or for their censure at the proper time fixed by the Constitution. We have no such thing as the referendum in this colony, and therefore I think it is an untenable argument that single questions should be referred direct to a vote of the people. There is no machinery for such a vote. If this matter-as has been put by the Premier-were deferred until just before the general election, the effect would be that matters of great moment to the colony would be subordinated in the minds of many of the electors to this one small issue, and the attention of the electors would be taken away from measures of cardinal importance to the country. The constituencies should, and will, judge of a members' conduct as a whole, and of to say whether the general services of the member who represents them are worth £300 & year. If they think his services are not worth that amount they will summarily reject him. If, on the other hand, they consider his services are worth \$300 a year they will return him to Parliament again. I know, myself, that in a large city there are indirect expenses entailed upon a member which are quite within the law. Take, for instance, subscriptions. Why, if I were to give a guinea a year to each of the societies and bodies that appeal to me for subscriptions, and of some dozens of which I am vice-president, it would take one-half of the honorarium itself. I do not refer to charities. Every public and private charity appeals to me for a subscription, and it is the same in the other large centres ; all the various charitable and religious institutions in the large centres invariably go to the member for the district first. That is the experience of most gentlemen who represent cities, and probably it is the experience also of those who represent country constituencies. In Great Britain it was the law of the land some years ago that members of Parliament should be paid. Mr. HERRIES .- By their constituents. Mr. NAPIER .- By the parishes. Mr. HERRIES .- Not by Parliament. Mr. NAPIER .- It was the law of England in the time of Queen Elizabeth that each constituency had to pay the wages of its member. And not only were wages, as they were termed, paid to members in those days, but the election expenses were also paid, I believe. In England

now the suggested proposal for the payment of members of Parliament which has been made by the Liberal party is £500 a year, and the election expenses to be paid also by the State. This Bill will assimilate our law to that prevailing in the larger Australian colonies, as New South Wales, where the salary is £300 a year, and there a sum is allowed per session in addition to the honorarium. For these reasons I shall vote for the measure. I believe it will receive the approval of the country, and I think it ought to be passed into law this session. Mr. T. MACKENZIE (Waihemo) .- I rise to a point of personal explanation. I cannot permit the remarks the honourable gentleman made in reference to me to pass, more especially as those remarks are without one scintilla of truth ; and, as the remarks were made, Sir, in connection with the visit which the Premier and members of this House paid to Palmerston South on the occasion of the funeral of the late Sir John McKenzie, they will know the honourable gentleman has made a statement which is absolutely incorrect. There are members in this House who were present on the occasion who are willing to bear me out in my statements. The greater part of my time on that mournful occasion-in respect to which the honourable member has made his statement-was occupied as follows: The funeral was not over until nightfall. I then walked back to the inn, reaching it about six o'clock, where I met some

<page:1152>

various matters in which they were interested, and, joining a general conversation, I had tea and proceeded to the train, which conveyed me to Dunedin before seven o'clock. I was not outside the inn at all haranguing the people, nor did such a thing occur within the inn. So that the honourable gentleman's statement is absolutely without foundation. I think when an honourable member makes a statement in connection with another member, especially on so melancholy an occasion as that, the honourable member should adhere to what is strictly accurate. It is true I did meet some of my constituents who were there, and who had to see me about a matter of business ; but the whole description given by the honourable gentleman is drawn from his imagination. Had it happened in connection with any other event I would not have risen ; but, as it was in connection with a gentleman whom we all respect, I deem it my duty to say what I have. He also said I had infringed the Corrupt Practices Act. The honourable gentleman should know that we are permitted to expend a sum of money to cover the cost of an election. The amount that my election expenses came to was considerably within the amount, and there was not one item that was not correct in every shape and form. Mr. NAPIER (Auckland City) .- The honourable member on the occasion in question was in a very merry mood, and probably forgets the subject of the conversation that night with his constituents. I am in a position to confirm all my statements that the honourable gentleman was representing to his constituents what he had done and his achievements in London. Mr. T. MACKENZIE .- It is absolutely false. Mr. DEPUTY-SPEAKER .- I must ask the honourable gentleman to withdraw that expression. Mr. T. MACKENZIE .- I will not withdraw it. It is absolutely false. Mr. DEPUTY-SPEAKER .- The honourable member must conform to parliamentary practice, and that statement must be withdrawn. If he wishes to correct any statement of the honourable member which he thinks is misleading he will have an opportunity of doing so. Mr. T. MACKENZIE .- I shall withdraw in this form : As the Chair requires me to withdraw the expression ; but I shall not withdraw the expression that what the honourable member says is incorrect and false. Mr. DEPUTY-SPEAKER .- The word "false" is entirely unparliamentary, and must also be withdrawn. Mr. T. MACKENZIE .- It is incorrect, and the honourable gentleman knows it. Mr. DEPUTY-SPEAKER .- The statement " false" must be withdrawn. Do I understand the honourable member has withdrawn that expression ? Mr. T. MACKENZIE .- I stated that I withdrew it because the rules of the House require Mr. T. Mackenzie the honourable gentleman himself is refusing to accept my statement. That is the position. Mr. DEPUTY-SPEAKER .- I will deal with the honourable gentleman in regard to that afterwards. If the honourable member for Auckland City (Mr. Napier) is challenging a statement made by the honourable member for Waihemo with regard to the

conduct of the honourable member, the honourable member for Auckland City (Mr. Napier) must accept the statement of the honourable member for Wai-hemo as to what he has said. The rules of the House are that a statement with regard to an honourable member's conduct made by himself must be accepted by every other member in the House. Mr. NAPIER. - I accept the honourable member's statement that he has no recollection of what he said. Mr. PIRANI (Palmerston) .- I rise to a point of order. The member for Waihemo said flatly that he did not make the statement, and did not say that he had no recollection ; and I ask you to direct the honourable member for Auckland City to absolutely withdraw from the position he has taken up. Mr. DEPUTY - SPEAKER. - I think the honourable member for Auckland City is now implying something worse than he said before. by not accepting the statement and by making an insinuation that the honourable member did not recollect what he was doing. That remark is unparliamentary. Mr. NAPIER .-- I am not making that suggestion at all. Mr. DEPUTY-SPEAKER. - It is open to the honourable member that construction. for Waihemo said that the statement attributed to him was not correct, and you must accept his statement on that point. Mr. NAPIER .- Well, Sir, I heard with my own ears the honourable gentleman's speech- if I may so call it-at Palmerston South that night. He made about half a dozen little speeches to small groups of people, and I heard some of his remarks ; and I cannot, of course, state that what I heard with my own ears and recollect is inaccurate. Mr. DEPUTY-SPEAKER .- You have heard the honourable gentleman say he did not make use of the expression attributed to him, and it is not in order for you to say that the honourable member was in such a mood that he could not recollect it. Mr. NAPIER .- I did not intend to imply that at all, Sir, because the honourable member was very clear-headed on the occasion, and in a very happy condition. I do not say that in any wrong sense at all, nor did I intend to do so. I had a conversation with him for two or three minutes, and can bear testimony to the fact that he was very clear-headed and very quick-witted. Mr. FISHER (Wellington City) .- Sir, I remain entirely untouched by any motive that may be cast upon those who are known to be in favour of this Bill; and, indeed, I wonder why we cannot discuss a question of this nature

<page:1153>

This is not in any sense a personal matter. It is a matter affecting the interests of the people and the standing and dignity of Parliament. It is a question which ought to be kept free from all personal bias of any kind. Sir, it is known I came into Parliament at some personal sacrifice. I am not referring to the nine shilling episode. I am referring to the time when I first took my seat in this House in 1884. I then resigned my position on the Hansard staff - \$300 a year for three months' work- to accept a position on the floor of this House at £160 a session, and entailing upon me a great deal of public labour and public worry. It cannot be said, therefore, that I profited by the salary paid to members. The member for Palmerston says this is a question which ought to be referred to the vote of the people. I ask why? Why should not other questions involving expenditure be submitted to the vote of the people? I say this question ought to be determined by Parliament, and by Parliament alone. We have increased the salaries of the Civil servants this year by £50,000. Was that referred to the vote of the people? We increased the salaries of Ministers last year. Was that referred to the vote of the people? We increased the salary of the Governor last year by £2,000. Was that referred to the vote of the people? We are being asked now quite unjustly to pass a vote of £130,000 to the Midland Railway Company. Is that to be referred to the vote of the people ? No. Then, why in this case is any such reference necessary? Last year, when the Ministers' Salaries and Allowances Bill was before the House, I said this upon the question,- "I did not speak during the debate on the second reading of this Bill, for the reason that in speaking upon the Governor's Salary and Allowances Bill I said all that I wished to say in regard to both measures. But there is one branch of the subject which during the discussion of both Bills has been kept steadily in the background. Now, I am not one of those members who organized an opposition to the proposals of the Ministry. I am a loyal

supporter of the Government. The branch of the subject that has not been brought to the front is the amount of salary or honorarium paid to members, and on that subject I hold a very distinct opinion, which I will make very plain. It was said that to have made any proposal to the House on that subject during the present session would have been to take the country by surprise. It was also suggested that, in order that the country should not be taken by surprise, members of the House should broach the matter to their constituencies during the recess. That was, without doubt, a prudent course for the Government to suggest ; but I have an opinion of my own on the point, which is this : that now is the time, and this House is the place, in which to broach the subject to the constituencies ; not with a view to include the proposal in either of the Bills immediately before us, but with the view to the introduction of a measure in the next session. In the VOL. CXIX .- 72. there should be an increase in the salaries and in the number of Ministers; and I now speak in advance of a step which I hope to see taken during the next session - namely, that the honorarium or salary paid to members shall be increased to £300 a year. It is futile for members of this House, or any member of the public, to cavil at my opinions on this subject or to cast imputations at me. I give at once and without doubt my clear and emphatic opinion upon the subject. I think a member of the Parliament of New Zealand is entitled to at least the salary paid to members of the Parliaments of Australia-Queensland, New South Wales, and Victoria. We are equal in legislative standing to the Parliament of any one of these colonies." I now say again, that as a Parliament we are equal in standing to any of the Parliaments of Australia ; and I ask, looking at the amount of labour one has to perform in close attendance upon the business of this House, whether £300 a year is too much to pay a member? Sir, it is said in joke, and I enjoy the joke myself, that That is true; but my last election cost 9s. that only shows that, if a man is faithful in his service to the people who sent him here, they do not begrudge paying him any salary fitting to the duties. Now, after one of my elections, the Bakers' Union of this city sent me this resolution : - " Your election is all the more gratifying to my union seeing that you were the first bona fide working-man ever elected by the labour party in Wellington to a seat in Parliament, and the solidarity of the labour party in the recent contest gives greater promise of even greater triumphs in the future." I do not wonder that it should cost a man a small amount of expense to get to a seat in this House if his constituents are satisfied with his services. I attach no importance to the statement of the member for Waihemo that a county election costs more than for a city election. That may be viewed in various ways, and in accordance with the ability of the man and the loyalty and honesty of his services to the people. I do not harp on that 9s. incident; but I have known men who have tried to get seats in this House for this city, and who have spent £2,000 in the effort and failed. Now, it only shows that for faithful services rendered the people of the country are willing to pay ; and one great argument in support of the payment of members is that it renders a member independent of all influences which may be brought to bear upon him outside Parliament. The present salary is £240, and it is proposed to raise it to \$300. Does any one suppose the £300 meets a member's whole expenses for the year ? It is ridiculous to think so. I wish it were possible to take a ballot vote on the question ; I am sure what the result would be. The Bill would be carried through the House with not more than eight or ten dissentients. I say this not for the purpose of casting any reflections on any member of the House.

<page:1154>

vent a ballot being taken by motion. Mr. FISHER .-. It cannot be done. But what is at the bottom of the objection is this: If it were not for the coming election there would be no trouble at all. It is the election ahead that makes members fear the effect of their vote on their constituency. But, really, the constituencies think more of a man who boldly faces such a question than one who votes against what he knows to be the proper thing to do. I was sorry the member for Palmerston will continue to harp on what it has become the custom to call "the £40 steal " of last session. He said it was the blackest blot ever placed on the statute-book. Mr. PIRANI. - No; I said "the Public Revenues Act." Mr. FISHER .- Well, the

one covers the other. I think it is time this reiteration was put an end to. There is nothing in it to justify such a statement. Then there is another argument. The sessions of this House did not formerly extend beyond three months. Here we are now entering on the fifth month. The late Sir John Mckenzie warned the House that, under the altered circumstances of the colony, members must be prepared to sit for five months in every year. And is it to be said that, with the attention members have to give to public business throughout the year- with a five months' session, and the numerous calls made on him throughout the year for contributions to societies and to charities of all descriptions-is it to be said that \$300 is too much ? I hope it will be understood that I am not arguing my own personal case. know my constituents will not object to the £300 ; and in regard to the proposed amendment by the honourable member for Wellington City (Mr. Atkinson) I would say to him that if he thinks £200 sufficient he can satisfy his conscience by taking the £200 and returning the extra £100 to the Treasury. I do not care what members may think as to the sum which ought to be paid to Wellington members as distinguished from other members. That, to me, is nothing. So far as I am concerned, my whole time is given to the service of my constituents. Perhaps my case is a little exceptional in that respect, because I give my whole time to the service of my constituents, but I add to my salary in other ways. I simply mention that, because I do not wish it to be supposed that the amount I receive from this Parliament covers the whole of my expenses during the year. In conclusion, I wish to say that the honourable gentleman at the head of the Government has fulfilled his undertaking to introduce the Bill. That is all I care for. I care so little for the added money that the House may do whatever it pleases with the Bill so far as I am concerned ; but I give the honourable gentleman the credit of fulfilling his undertaking to the House. I shall vote for the second reading of the Bill. Mr. COLLINS (Christchurch City). - The subject under discussion, Sir, is one upon which I think there is every room for difference of present time the debate has taken place without any heat or acrimony. Several speakers have affirmed that the amount to which it is proposed to raise the honorarium-£300 a year- is a reasonable and fair sum to pay by way of such remuneration. But, Sir, I maintain that is not the question which this House ought to face. It is not a question as to what is a fair remuneration -- at least, that is not the way the question presents itself to me. It appears to me that we practically committed ourselves to the remuneration-and I urge this point-that we practically committed ourselves to what we regarded as a fair remuneration for our services when we undertook to serve the constituencies for three years, knowing what the remuneration was. That appears to me to be the only point we have in all fairness to consider: and a great deal of the laboured argument that has been advanced appears to me to be considerably outside the issues which ought to present themselves to honourable members The honourable in discussing this matter. member who has just sat down has suggested that the vote of certain members will be very considerably influenced by the fact that an election is impending. Well, the election is not near yet. We are only half-way through the life of this Parliament, and I think the honourable gentleman went beyond his usual line of argument, and his remarks suggested an unfairness which is not usually characteristic of his speeches in this House. I do not think that those of us who oppose the second reading of the Bill are doing so because we anticipate what may happen at the coming election as a result of our vote. I think the honourable gentlemen who asked us to admit their right and reasonableness in asking for this increase ought, at least, to credit us with exactly the same right, and attribute the same fairness to us in now opposing the increase. So far as I am concerned, my opposition to this Bill is solely on the ground that, at the time of my election, knowing what the payment for the services was to be, I undertook to serve my constituency for three years, and to give the best services I could render. I not only undertook to do so, but members must remember that we wooed the constituents and won the constituents. We were not put here by force. We asked the constituents to return us, and they returned us ; and we accepted the responsibility of office, knowing exactly what the remuneration was to be. That is the whole point ; and I cannot during the term of this Parliament vote

myself an increase c. pay. An Hon. MEMBER .- Will you return it ? Mr. COLLINS .- What I do with the mone. I receive is a matter for myself. I have ahsc- lutely refused and declined to profit by any increase made yet, and, as a matter of fact. I de not think it is quite fair to raise that issue. Let the matter be fought out on its merits, and do not raise an issue of that kind. It is all very well, as the member for Wairarapa stated. to say that those who oppose the motion and vote

<page:1155>

honorarium. I maintain we have no right to ing the contention that we, having entered into have a differential payment in this House, and a certain contract, have the right ourselves to I maintain that the very fact that such sug- increase the amount of our own pay. Again, Sir, gestions can arise on the floor of the House in we were told that many men who entered Par- discussing the matter is clear proof that the liament would have been better off if they had Bill ought not to have been brought down in confined themselves to their own occupation ; the form in which it is. It would be quite a different matter to discuss the question of the a member of Parliament actually entail a loss, value of a member's services on its merits if and that the country has no right to expect the the Bill were to apply to the next Parliament. sacrifice, and does not expect the sacrifice at the Then it would be discussed absolutely free from hands of those who serve the State. All of which, any personal feeling or prejudice, and the matter I say again, is self-evidently true. The country would go to the country, and we would take our does not expect this; but again I point out that chance of coming back and participating in the the country does not force us into the position. increase, supposing the increase to be carried. We sought the position-every member of the Now, an argument has been used which at the House sought the position he now occupies. first blush appears to carry some force. It has Then, Sir, comparisons were made between been suggested that members-and I suppose the amount of remuneration paid to members this was based on the discussion that took here in New Zealand and the remuneration place this afternoon-on this side of the House paid to members of Parliament in New South and members on the other side are willing to vote £130,000 to the shareholders of the Mid- altogether beside the mark as affecting the land Railway, and yet would refuse to vote an question whether we have or have not a moral increase in the payment of members in the right to increase our pay after having entered House. Sir, cannot the honourable gentleman into a contract with our constituents-to serve who suggested this see the difference in the for a definite period for a definite remuneration. situation ? Surely no honourable member will We have been told that this was the best time vote for that £130,000 payment unless he feels to deal with this question. I should urge that it his duty so to do. And, Sir, I would point this is, perhaps, the very worst time to deal out this: That if there be no legal claim-and, with this proposal; and it would surely be fair of course, I cannot discuss the matter of the to urge the increased expenditure in various £130,000 now-there is a moral claim, and that directions to which we have committed the moral claim should be a much stronger claim colony as indicating the present as the than any legal claim can possibly be. And most inopportune time to consider this proposal. Indeed, it has been urged by several that, it seems to me, will be the motive power impelling some members to vote for that members that we have voted increased sums £130,000 payment. But there is really no moral to officials connected with the Civil Service, reason why we should increase our own salaries. and that we have voted the expenditure of large sums of public money in various At least I can find no moral reason which directions. I should urge that that very in- will justify me in voting for increasing the creased expenditure-if it was a necessary in- amount, and, in saying that, I am casting no reflection on honourable members who will crease, and I suppose it was a necessary increase to carry a general vote of this House-I should vote for the increase. I can find no sound and urge that the very fact that we have so increased valid reason why I should support this Bill, and it appears to me, so far as I am concerned the public expenditure was a good reason for refusing a still further demand on the public in my relationship to my constituency, knowing purse for our own special benefit. At least, that I never hinted

at it when I was before my that is an argument that would carry consider- constituents, knowing that they made no com- able force with me. Again, Sir, it has been pact with me, and that I made none with them said that if we leave this matter to the last on this subject, I cannot support this Bill days of a Parliament, we should be leaving it morally, and in saying this I again assert I cast till just before an election, and, we are asked, no reflection whatever on any honourable gentle- what would our opponents do supposing we man who chooses to take a different course. were to do that. Now, Sir, if our opponents in an I will now call the attention of the 10.30. electoral contest could make capital out of our House to some of the arguments that voting on this matter, if they could urge that we have been advanced in support of the proposal had improperly increased our own honorarium, contained in the Bill, and amongst those argu- and if that argument would have any force with ments were statements made by the Premier, the constituents as telling against ourselves, for instance, that the amount which was at then, assuredly, the Premier, who made use of present paid to members of Parliament was this argument, overlooked this fact : that the totally inadequate considering the conditions very essence of the contention here is that our under which honourable members worked. action would not meet with the approval of the For instance, also, we were told that Parliament constituents ; and that is my contention -- that lasted for nearly three years, and that we had we have offered to serve our constituents under to consider the cost of fighting the election, all certain conditions, one of which is the amount of which is absolutely true, of course. And of payment ; and the Premier really gives away they may be made very strong arguments as the whole case when he says that to do it near affecting the amount which members should that the duties and the demands made upon Wales and Victoria. Again, I urge, this is

<page:1156>

to election time would enable our political op- | in taking part in this debate to-night, for Wel- ponents to raise the cry that we had passed a Bill increasing our own honorarium, and by so doing had really used our positions as members of Parliament to improve our own financial position. I fail so far, and I have listened attentively to what has been said, I fail to dis- cern a single valid reason why this step should be taken at this particular juncture. And when we are told that some gentlemen may be taken at their own valuation, and in re- fusing to vote for the increase to £300 they are practically assessing themselves at a lower figure than that to which they are entitled ; and when it is also added that those members do not think that they are worth £300, and that in this their constituencies will pro- bably agree with them, I say again the ques- tion is not what any individual member may think he is worth, and I decline to argue the question as to whether or not we are worth #300, or more or less. I simply contend that we have no right to put our hands into the public purse for the purpose of increasing our own individual honoraria. I cannot do this. Honourable members who have consulted their constituents, and who have openly declared their intention of supporting such a proposal, -are in an entirely different position. On & previous occasion, during the discussion last year, I expressed my disapproval of such a measure, but I could not allow this oppor- tunity to pass without expressing my reasons for voting against the proposal. I have not con- sulted my constituents, and have made no such declaration as has been made by other members ; and I do not think I should be doing what is right to my constituents or to myself if I sup- ported this Bill. I should be sorry if, because of this difference of opinion, there should be any strong feeling aroused. I should, indeed, be sorry if stronger feelings were aroused over a matter of this kind than have been aroused over matters of more general importance to the country at large. Surely we have no right to import stronger feeling into the discussion of a matter which is purely of a personal character than is imported into discussions of proposals which affect the country generally. I shall oppose the Bill, as I opposed the pro- posal last year. If the matter could be post- poned, to be dealt with by Parliament at the close of the last session, so that it should not come into force until the next Parliament, then my position might be somewhat different, but at present I feel bound to vote against it. Mr. J. HUTCHESON (Wellington City) .-

Sir, the honourable member who has just sat down has in his argument largely put my views on this question. He has argued the case moderately and cogently, and I consider his is about the first speech to-night, with the exception of one or two others on this side of the House, that did not beg the question. The weight of argument adduced by other members did not get us over this difficulty - namely, that we have made a bargain, and that, as we regard the contract as sacred, so must we fulfil that contract. I have felt somewhat diffident. Mr. Collinsington members for the last month or so have been subjected to many and varied threats. We cannot, without subjecting ourselves to the possibility of rebuke, occupy any of the time of the House before ten o'clock, because on one occasion the Premier said we monopolized 75 per cent. of the time of this House between the hours of 7.30 and 10.30. Of course, that is grossly and obviously inaccurate. Then, from various quarters we have had threats to have Wellington disfranchised ; from other quarters threats that the terms there have been honoraria of the Wellington members will be reduced. We have been told by the Hon. the Premier to-night that the Wellington members enjoy the inestimable advantage of being at home in the bosom of their families all the year round, can attend continuously to their business, and draw their full salary like other members ; that their elections cost them a good deal less than other members, and all this in the sweet and innocent ignorance of the situation. If it is considered desirable that honourable members should be classified and remunerated according to worth, and taking the economic view of this question, then, & I suggested by interjection, let us introduce Classification Bill. But who is going to assess the relative value of members of this House ? Now, the proposal in the Bill is to increase the honorarium to £300, and that is either not enough or it is too much. I consider that if this House feels it has the right to augment the salary for which each member of the House has entered into a contract with his constituents, then it is only a question of degree, and I say £300 is too little. I might be content with £500 or £600. But if I have a right to increase my salary to £300, then, it being only a question of degree, and I being broad-minded and liberal in my views where my own interests are concerned, I say make it £500. But the fact of the matter is, I do not consider I have a right to do it at all. My colleague for the City (Mr. Fisher) asked, " Why should this vote be referred to the people ; or other votes referred to the people ? " But I consider it not only my privilege, but my duty to take my part as a member in the disbursement of every penny of the public money ; and, as a trustee of the public purse, I do not consider I have any right to appropriate any of it to myself without consulting those whose interests I hold. Now, I have never done that, and I have never suggested that ; and the question of whether £240 a year is not a sufficient remuneration for a member of Parliament is not at issue, and it cannot be in issue, according to my way of thinking, until our employers-the people-have been consulted. The Premier told us to-night that no man ought to be here suffering pecuniary loss that where a man was taken from his employment at the bench or in the workshop at 13 shillings a week, it was manifestly unfair to put him in a worse position ; and he drew a very touching and affecting picture of the hardships members of Parliament put up with who were debarred

<page:1157>

jections of their fellow-workmen, from going back to their employment again. Sir, if the Premier meant by that, that because a man is a member of Parliament he should abandon all other pursuits, and that during the eight months of the recess ought to do nothing at all to augment his honorarium, he is telling me, at least, a thing I cannot agree to. An Hon. MEMBER. - That is the Upper House. Mr. HUTCHESON. - He also said it most distinctly in reference to this House. I may have mixed up a few of the words he said, but the meaning of what he said in regard to this House was that a working-man when he entered this House was, by his altered position in society, debarred from following his occupation at any other time during the year-that " the circumstances and environment are such that an artisan will not return to his bench." Such were the words of the Premier. What is to prevent him from getting a bench of his own, and not asking anybody's leave? I can truthfully say that ever since I have had the honour of a seat in this

House, I have never stood in dread of the displeasure of my constituents. I have never felt distressed by the thought that my constituents would visit their displeasure on my head for any views I have expressed in this House, and I have always had my grip- sack packed and ready to lift the moment they said, " Go." And, so far as the displeasure of my constituents regarding my vote on this matter is concerned, it has never given me a single moment's thought. If I believed it to be right, I would vote for this ; I have always been a stickler for a fair day's pay for a fair day's work, and if I had a chance I would ask my constituents for it to-morrow; but I want it over the counter from the man who has a right to give it me. I do not want to wait till he is out of the shop so that I can sneak it out of the till. I believe that £300 alone is not too much to maintain a member of the House in dignity and comfort ; and the principal drawback to the position of a member of the House is the everlasting cadger; and I tell you, Sir, they are scarcer with me than they were two or three years ago. But I know them, and their methods, well enough to know that they make a man's life a misery, and would pauperise him if he gave whenever he was asked. These are some of the obstacles we have to stiffen our backs against, and determine that we will not be exploited any longer. For two or three years I was squeezed and sucked like any orange or lemon till there was nothing but the rind left, and I said to myself, Where will I come in when all this is over? When the time arrives when I have no longer the honour and maintenance of a member of this House, who is going to give a hand to rehabilitate me in my old means of livelihood ? Let each labour member put that question to himself, and answer it to his own satisfaction. This is one direction in which members of the House can remedy matters if they will only put a little starch into it. I ton member cannot attend to his business 1 required amount of stiffening in him when you pass the hot iron of adversity over him. I have had my experience of the guinea-cadgers, and very few get anything out of me now, and whether they withdraw their votes and support from me concerns me not at all. Another thing is the cost of elections, and we are told it does not cost anything to win an election in Wellington. Why, one night of one of our 1 public halls would pay for the hire for one night of all the rooms in a country electorate. It only costs for one of the halls in Wellington £12 10s. for one night, and, when you address four meetings in one night towards polling- time, and pay for four different halls, I reckon the cost of elections in the City is sufficiently high. However, it is not a question of com- paring the cost, and I would not have raised this point, as I consider it invidious to do so. I am willing that the Premier should put his threat into execution, and leave Wellington out of it altogether, and I would take no further part in the debate if he were to do that; but on him will rest the odium of having drawn this invidious distinction be- tween the Empire City and the rest of the colony. It may not affect me very long, but it will affect all those who come after me, and they may not thank him for it. We have always got to see how these things are going to work out in the future. A Minister once told me, when I complained to him about the low- ness of the wages paid in his department for a certain class of worker, that plenty of men .. could be got for the same money. That is the Premier's policy-" Your necessity, my oppor- tunity "; but I hope we are not going to conduct Parliament on these lines, because I will not be a candidate if he is going to run things on cheap and nasty lines. I am not of a cheese- paring nature, nor am I a skinflint; but, having made a bargain with my constituents, I am going to give them my very best services for the remuneration within the terms of that bar- gain, as I would if it were possible for me to accept the increase now proposed in this Bill. It is with the principle of the thing that I am concerned ; and if any honourable member can prove to me that I have a right as an indi- vidual member to assist in increasing my own salary without asking those who entrusted me with the care of the finances of the colony, on clearly understood terms of payment, I am willing to withdraw my opposition to the Bill, and accept the increased amount, in which case I do not think there is one of my electors I could not look squarely in the eye, and say, "What for no ? " I consider I am worth \$300 for the work we are required to do. Of course, every man is accountable only to his own con- stituents, and, according to the way in which he satisfies them, so long will he remain in this House. It may be said the duties of a mem- ber for

Wellington City are light, and, without being egotistical, I can hardly tell honourable members what our duties really are. First of all, although it has been so stated, a Welling-

<page:1158>

any honourable member to say that, in order to attend to my business, I have absented myself from sessional Committee meetings or sittings of the House. I defy any honourable member to say I have been absent from the House except on one day through sickness. Then, it costs me more in house-rent than I would have to pay if I were not in Parliament. I can tell honourable members, too, that the £20 honorarium is altogether insufficient for the ordinary wants of my family, and, abstemious and thrifty as one may be, it is imperative that some addition be made to that from other sources in order to keep out of debt. All this is perfectly à propos to the proposition that we should ask our employers for an increase of wages, and I am willing to do so; but I feel I have no right to increase my wages on my own motion. I contend that, while Parliament has the right to deal with the whole of the finances of the colony, and while members have the right to deal with the wages of every one in the colony, they have no right to deal with their own. We have been entrusted to do that, and I do not see that any discretionary power has been put into our hands. Now, as I have already said, if I am going to raise my own wages I will be generous, and I will not take less than £500 or £600. That may be considered the reductio ad absurdum, but that is how I feel on the matter. It seems to me, however, it would be within the functions of Parliament to assist honourable members to minimise their expenses by adopting a proposition such as has been suggested to-night by some honourable members. It might fairly meet the election expenses of honourable members up to a certain sum. That is to say, the candidate, on establishing proof of certain legitimate expenses, which, of course, would have to be clearly defined, might have up to a certain maximum sum paid by the Government. An Hon. MEMBER .- Would you give the defeated candidate something, too ? Mr. HUTCHESON .- All who poll a certain percentage of votes should receive something, but it should be fixed at such an amount as would discourage the undue accession of candidates. I would say that unless a candidate polled a very decent proportion of the votes his expenses should not be paid. That would be necessary. Generally these expenses swallow up the first year's honorarium, especially of a member who has a large country district to represent. I am willing to admit the reasonableness of the honourable member for Wai-hemo in regard to what he says about his electorate. There are others-the Patea electorate for instance-covering a very large area of difficult country. A seat like that can only be won by a man who is in a position to expend a considerable sum of money, and who is very energetic and physically fit. In that case, Parliament might legitimately meet these expenses, and do it in such a way as to remove all unpleasantness from the present situation. I do not take up this position for the purpose of playing the Mr. Hutcheson too highly the goodwill and good feeling of my fellow-members and fellow-men to do anything of the sort. It is not my nature to be cantankerous in spirit, but I cannot see that I have a right to alter my own emoluments without reference to those who placed me here. As the member for Christchurch City (Mr. Collins) said to-night, at the last election each member of this House solicited from the people the privilege of being here, well knowing at that time that the period of his service would in all probability be three years, and that the amount of his emoluments would be at the rate of £240 per annum while he remained here. Now, that appears to me to be a clear and common-sense issue, and no amount of sophistry and special pleading can get over the principle involved in that. I cannot listen to the wiles of the Hon. the Premier : he has a too seductive manner. But I have no doubt that this proposal would never have been made to Parliament if Parliament, first of all, had not increased his salary and the salaries of his colleagues. Now, some may think that I grudge the Premier his salary. I say honestly and fairly I would not begrudge a salary of £4,000 or £5,000 a year to a Premier of this colony such as we have-an indefatigable man, who in this and every other country is known for his ubiquity and prodigious capacity for work. A great deal of it is unnecessary, I believe ; but,

from his point of view, attention to detail is needed, and he does that work in a most exhaustive and untiring manner. I would not begrudge him £5,000 a year, providing I knew there were no perquisites nor privileges of office outside of that £5,000- to put it not offensively, if there were no pickings outside of that, I would not begrudge him salary of £5,000 a year. A great deal has been said of the privileges of members of other representative Chambers, and the railway and coach facilities of the members of the New South Wales Legislature. Well, that degenerated into a scandal long ago. We know perfectly well that the cousins, the sisters, and the aunts of these members ride free on the coaches and railways fifty and sixty miles from up-country, in order to go town to town to get a sixpence worth of ribbon. I have perused the New South Wales and Australian papers. and, although it may not be a burning question in this colony, still only in recent days there were all sorts of scandals in the public Press and in the Parliaments of those colonies over the way in which these privileges were abused. The privilege of franking letters and telegrams also has been abused. Hitherto this House has confined itself to a life of simplicity. and I say, with some knowledge of what I speak, that the Legislature of New Zealand has been freer from all sorts of self-seeking, jobbery, and corruption than any other Parliament in Australasia. That is admitted generally. I think the seeking for these privileges is the beginning of the road to political debauchery, and the less of these pickings we seek for ourselves the better it will be for those who come after us. Now, as regards the question of the working-man.

<page:1159>

anything whatever to prevent me making what use of my time in the recess I chose to make of it. If I was inclined, as I have been and am inclined, to do some other work in my own time, or such portion of it as is not required by my constituents, I ask no one's leave to do it ; and I do not know of any other member of this House who is so situated that, if he strenuously desired to do some other work, would not find the means of doing it. I myself, being a man of plain living and habits, could live, practically speaking, like a fighting-cock on £240 a year if I had it all for my own uses. A few honourable members have tried to play the role of Lord Bountiful, but have found, to their disappointment, that being in Parliament alone did not make them millionaires. They found that, though they were members of Parliament, and had all the alleged honour and glory attached to it, they were poorer men financially than when they were working at their trades. I am not going to make a poor mouth of it, but I have had as hard a time to pull along since I have been a member as ever I had at my trade, and, but for my endeavour to have some other occupation from which to supplement my pay as a member, I certainly would have run the chance of being very hard up before I had got to the end of another session. I saw that, and I was not going to take any chance of it. I am simply taking care to insure that, when the precarious living of a politician is refused me, I will have at least the wherewithall to earn my daily bread and to insure my self-respect. I say to the labour members of this House, " Never trust to making a living out of politics, but always have something to turn your hand to when your constituents are done with you ; for you, when you are cast out, there will be none so poor as do you reverence." Those who vote for this Bill, I have no doubt, feel justified in doing so, and I hope those who do that will not assume that I am voting in the opposite way with a desire either to balk them in what they deem to be right or to pose as a Pharisee or Puritan in the eyes of the people. I would like to say, before I sit down, and it is in reply to something said by the honourable member for Wairarapa- he said that those who voted against the appropriation of the £40 sessional allowance last year were in unseemly haste to go to the Treasury and collect the sum. Well, I did go to the Treasury, and I did collect the sum, because, after due consideration, I came to see that that was the only way I could divest myself of it, because if it laid to my credit there, after I had declined to take it, I would lay myself open to the imputation that I was playing "possum " until the noise subsided, and then could get it. So I took it, but I took care to go along the Quay and pay it into a public institution- the Bank of New Zealand- to the credit of the Public Account, for which I hold this receipt :- " Voucher No. -. " Bank Receipt

.- Public Account. " Received into the Bank of New Zealand at placed to the credit of the Public Account. " Dated this second day of November, 1900. "For the Bank of New Zealand, "DUDLEY TRIPE. " £40 0s. 0d." Now, I would never have referred to that but for the fact that it has been stated in this House, and with all sorts of exaggerations in the town, that they all took it. And I am not singular in this respect, for other of my fellow-members have done likewise. Mr. SEDDON .- You took it. Mr. HUTCHESON .- I took it? The Pre- mier is trying to play the same shabby game that he tried to play on the member for Ashley the other day, but he cannot " bluff " the people all the time. Mr. SEDDON .- What did you take it for ? Mr. HUTCHESON .- So that I could divest myself of it. Had I left it there, it must have lain to my credit ; you could not have taken it. Mr. SEDDON .- Yes. Mr. HUTCHESON .- Oh, no; it would lie to my credit, and you dare not touch it. Mr. SEDDON .-- Yes. Mr. HUTCHESON .- It would be mine all the time until the end of the present Parlia- ment. Now, I say, the man who lives in this House in fear of his constituents, who trims, and dodges, and tries to regulate his conduct between the different interests, will come down to the level of all dodgers ; and, if he does not come down, the Premier stigmatizes all those who oppose his imperious will as traitors to their trust and enemies of the Democracy. So, after all, there is nothing for it but guidance by principle and a stiff back. Well, I may ask my constituents to put me back here, and they may not respond ; and, again, I may not ask my constituents to renew their trust; but, whether I ask them or not, my only reason for opposing this Bill is that I do not feel I am privileged to accept any increase of emolu- ment for services without asking the people -my employers. Of course, if I thought the emolument was not adequate, and that the deficiency should be made up by some sacri- fice on my part, I could either loyally accept those conditions or tell my constituents to get a cheaper man. But my belief is that the people of the colony would almost unanimously agree to grant this £300 if it were explained to them the expense a member of the House was put to. I say that, under present conditions, a man who has no other source of income than the £240 is in a state not far removed from chronic poverty ; and if the amendment to be proposed by the member for Lyttelton to make this Bill come into force from the first day of the next Parliament were agreed to, we should have a clean record and a clear mind about the matter. I should not be a little bit afraid to tell the people of Wellington that they were "sweating " their representatives if they did not give them a fair remuneration for the work they do. Unless the operation of the Bill is suspended till after next general election I shall oppose it at all stages with all my might.

<page:1160>

that I have "paired " with the honourable member for New Plymouth for the session, who is in London trying to start an important industry in which the colony is interested ; and I think it as well that I should say that since I entered this House I have been opposed to any increase of this nature-I took the same stand in 1892-although I have not a word to say against those members who feel that they should be paid more than they are receiving at the present time. I feel that, having entered the House at a yearly payment of £240, I have no right to take advantage of my position and increase that amount to £300 during the present Parliament. I simply make this ex- planation because I am "paired " on all Bills, and consequently my name will not appear on the division unless as a " pair." Mr. MASSEY (Franklin) .- There is just one point on which I wish to correct the honourable member for Wellington City (Mr. Hutcheson), and not a particularly important point either. It is in regard to the cost of elections in the city as compared with the cost in the country. The honourable member stated, in the course of his speech, that the hire of a hall in the city would pay for the whole of the school-buildings in a country electorate ; but unfortunately they are not all school buildings in the country districts. There are a number of halls in the country districts that have to be paid for just as well as halls in the cities ; and then, what about the travelling-expenses? I think if it were possible to make an accurate comparison it would be found there was very little difference between the city and the country so far as election ex- penses are concerned. Mr. HUTCHESON .- It is more expensive in the country. Mr. MASSEY .- I believe it is, and I am glad to hear the honourable

member for Wellington City admit it. To come to the Bill itself : this is a question about which there is room for a considerable difference of opinion ; and, while I admit that there is a good deal in what has been put forward by the Premier and those who have followed him in supporting the Bill with regard to the cost of elections, and the length of the session now as compared with what it was ten or twelve years ago, and the calls made upon a member's purse, still there is another side of the question, and it is this- it has been referred to by other speakers : When members were before the electors at the last general elections in the capacity of candidates, there was no suggestion, so far as I can recollect, or that I noticed in the news- papers, that the salary of members was insuf- ficient, or that the salaries of members and Ministers ought to be increased. An Hon. MEMBER .- A good many members said 80. Mr. MASSEY .- Perhaps so, but I did not see it reported, and I did not hear it stated ; and consequently, when members became elected to manage the public affairs of the colony, I consider that it was on the understanding that they should do so at the existing salary for the to make any alteration such as is suggested in this measure, then it should come into opera- tion only after the next election, so that the electors of the colony might have an oppor- tunity of expressing an opinion thereon, and electing the best men obtainable for the salary to be offered. But, Sir, we have apparently entered upon an era of increases. We com- menced last session-the first session after the general election-by increasing the Gover- nor's salary practically by about £2,000 per annum. Then, we increased the salaries of members of the Civil service-some of them deserved an increase, and some did not. Then, we increased the salaries of Ministers : we increased the salary of the Premier by \$600, the salary of the Minister for Railways by £500, and the salaries of other Ministers by £200 a year, and we increased their number by two. Now it has come to the turn of members of Parliament generally, and I do not think there is a member in either branch of this Legislature who believes that the present in- creased rate of expenditure can continue. I believe it cannot go on, and I believe history will repeat itself, and that in the near future the time will come when there will be a general cutting-down, and members and Ministers will be called upon to do as was done before-to show an example by cutting down their own salaries first. There is another point that has been mentioned in this debate-namely, the present arrangement with regard to leave of absence. The present arrangement is something like this : Members, except in the case of illness, on their own part or on the part of members of their family, are allowed five days' leave of absence. and after that period is exhausted they are fined at the rate of £2 per day for every sitting-day they are absent. Well, there are lots of members in the House representing the Auckland Provincial District, and the districts of Otago and Southland, and it takes them nearly the whole of the five days in travelling to their homes and back again, when they wish to visit their homes or have a look at their businesses during the session. I say we ough: to take advantage of the present opportunity to amend our arrangements in this respect, and introduce a sliding-scale according to distance. I think, in the case of Auckland and South- land members, leave of absence ought to be extended to ten days, and the period should run down to five days for members representing the Provincial District of Wellington. An honourable member, when speaking a few minutes ago, suggested that in the case of large country electorates something ought to be done in the way of paying the expenses of candidatos, and he instanced the electorate of Patea. Well, Sir, I say if ever there was an instance where the expenses of a candidate ought to be paid it is in connection with one of the present candidates-in the case of a gentle- man who was lately the member for Patea, and who I hope soon to see again as member for Patea. But what I was going to say was this: when a case occurs such as has occurred in connection ...

<page:1161>

count of a mistake of a Returning Officer, or a Deputy Returning Officer, or a Registrar of Electors, I say the public should be responsible for the mistake of its servant ; and if the elec- tion is upset, the costs of the election petition and the legal expenses should be returned to the member unseated ; and I hope the

Govern- ment will see to this, and in the near future some such provision will be made. It was an Opposition member on this occasion ; perhaps it will be a member on the other side next time. I do not intend to bring in any side issues, because there is not the slightest doubt that every member in the House has made up his mind how he is going to vote. I do not wish to reflect on any member on either side of the House. I do not wish to make party capital out of the matter. I simply say, speak- ing for myself, I do not approve of what is proposed, and intend to vote against the Bill. Mr. FOWLDS (Auckland City) .- I should like to say a few words on this Bill in explana- tion of the vote I shall presently give. It has been contended that the salary of £240 is in- sufficient for members of the House, and I do not propose to contend for the opposite view. The position, I take it, has been pretty gene- rally expressed by other speakers, that the members of this House were elected on the understanding that the salary for their term of office would be £240; and I cannot see my way to cast a vote to increase the amount during the currency of the present Parliament. I know it means a loss to most people when they enter Parliament. I am not sure whether the loss is not greater to those who are in business than it is to those who are in the position of workers or wage-earners. A large amount can easily be lost in a business through want of supervision by the head. I do not agree with the state. ments I have seen in some of the papers, and that have been made from some platforms, that the salary paid to members is at the rate of £80 a month-that only three months are given to session work for a salary of £240, or £80 a month. I do not know how it is with other members, but I can say that when I get back to Auckland my time is mostly taken up with parliamentary business. Except for the fact that I get home in the evenings, I have nearly as much public business to do in the recess as I have in the session. Therefore the contention that £240 should be divided over three months falls to the ground. During the time I am in Wellington certain gentlemen have to carry on my business, and, according to my view of it, I give those gentleman a very fair salary, but I can quite imagine that some of these gentle- men might take a different view of the subject, and think they do not receive sufficient salary ; and if I returned home and found they had increased their salaries during my absence I should feel somewhat irate. Well, I consider their position, if they did this, would be analogous to mine if I voted to increase my salary without the consent of my employers. That is the main reason I cannot support the were to raise it for the next Parliament the case would be different. If we passed a Bill raising the salary for the coming Parliament, then our employers, when they came to make fresh appointments, would be able to fix the terms on which we were to be paid. If they disapproved of the increase in the salary they could pledge the members they returned to reduce it, and if they did not do so then clearly their assent would be given to the proposal. But without consulting the people in that way I think it is wrong to increase the honorarium. That reason alone will decide me to vote against the second reading of the Bill. When the Bill, if read a second time, is in Committee, the proposal given notice of by the honourable member for Lyttelton, to make the Act apply to the next Parliament, will receive my support. Captain RUSSELL (Hawke's Bay) .- Sir, I have on every occasion when the question of an increased payment of members has been before the House voted against it, and I shall do so on this occasion. I only rise now to say that there seems to be a view prevalent in the House which, to my mind, is an entirely erro- neous one-that is, that, on account of the expense honourable members are put to in the course of their election, and consequent on sub- scribing to many objects that are brought before them, we have therefore a right to be more highly paid. That seems to me to be a thorough fallacy. The Right Hon. the Premier commenced by saying that the cost of an elec- tion was so great to members it was necessary to add to our salaries. Sir, would we not then be placed in the position of making the colony pay the election expenses of those who are in Parliament to the great disadvantage of those who are outside? That seems to me to be the only logical deduction from the assertion that, because election expenses are large, members ought to receive a higher salary. We know there is a Corrupt Practices Act in the colony, and that canvassing has been prohibited by a recent Act ; therefore the cost of an election

ought not to be very great, and if the cost is great it cannot be urged that sitting members should be placed at an advantage by receiving pay from the colony to contest elections with other candidates outside for the maintenance of our seats in this House. The calls for subscriptions that are made upon members have been alluded to by the Right Hon. the Premier and by many other honourable members. No doubt it is often extremely irritating, apart from the mere fact of the disinclination to part with the money, when they receive a letter acquainting them with the fact that they have been appointed vice-president of the so-and-so society, and that their predecessor had given them a cup. Of course, one cannot well refuse these requests ; but we know very often in doing so what we are liable to be charged with. We know we are always liable to be accused of trying to bribe our constituents by the money we are giving them for these things. We can scarcely feel generous in giving the

<page:1162>

are giving it freely. We are sometimes importuned to subscribe to all sorts of charities, and yet we part with our money because we hope we are propitiating some of our constituents, although we may not have the pluck to say so. Are we to argue, therefore, that the colony is to pay for our being so faint-hearted as to be afraid to say "No" when we might like to do so ? Surely that is no argument for urging an increase in the payment of members. Mr. HORNSBY .- What about the honourable member who takes the money and hands it over to his constituents ? Captain RUSSELL .- It is much the same thing. Every one of us almost does, directly or indirectly, give money away for political considerations to propitiate the electors. An Hon. MEMBER .- No. Captain RUSSELL .- Well, I admit my conscience is not so tender that I cannot say I have never done so. Then, there is the argument that is brought forward so continually- and I admit it is a true argument-that there should be no man so poor, if he has sufficient ability, who should not be able to take part in the government of the country. That is a principle that I thoroughly admit, and I am prepared to say that therefore we should pay a certain amount of honorarium ; but if we base our argument on the ground that no man should be so poor that he cannot take part in the government of the country, is it to be said that it is essential he should be paid £300 a year? Certainly not. The whole force of the argument is that the man who is the poorest shall be able to take part in the government of the country ; and therefore, if we fix the remuneration at a little better than an artisan's wages, I certainly say you meet that argument with a moderate amount of money, which is fairly arguable ; and therefore, if we fix the payment at £200, I should say we fix a very ample sum for the poorest man to be able to enter the Parliament of the country. That brings me to another point. The Right Hon. the Premier said that the circumstances and environment of Parliament are such that an artisan who once enters it cannot return to his bench, and that he must, in occupying the position, subscribe to any calls that are made upon him in his district. Well, now, if the circumstances and environment are to prevent him returning to his avocation, I say it is a most deplorable condition of things. If we were to say that every artisan-that every working-man-entering Parliament is to debar himself ever afterwards from returning to his trade, we should in every case be losing a good artisan, and making possibly an indifferent politician. I feel that many a man who is a good artisan when he comes into this House, is here for three years, is re-elected, and remains in the House for six or possibly nine years, ceases to be a good artisan, however good a politician he may become ; and when the day comes when he knows that the giving of an unpopular vote, though he is aware in his conscience that it is the proper one, will turn him out of this House And deprive him of the means of providing Captain Russell thinking first of his duty to his family, and giving a vote although he knows it to be against his conscience. That is not a right position to put a man in. Then, we are told that a member must be recompensed for the loss he sustains in coming into this House, and that brings me to the question of the professional man. Where are we to draw the line, and what constitutes a recompense for the men who come into this House? A man who has a small farm and is making a very poor living out of it may come to this House and be recompensed very well by

£200 a year, and an artisan may be recompensed by £200 a year; but a professional man, who is making £2,000 or £3,000 a year, how would you recompense him ? Is that £200, or £300, or £400 a recompense for him ? Undoubtedly not. You cannot fix the amount of recompense for a man abandoning temporarily a professional career. In endeavouring to fix the basis of remuneration for men coming into Parliament, there is no safer rule than that which says that the poorest man shall not be debarred by poverty from being a member of Parliament. That does not necessitate the payment of high salaries. It is undesirable to place a member in the position that we know a member of this Legislature was placed in ten years ago. It was currently reported, and I believe it to be true, that an artisan was elected a member in 1891. We had a short session of a fortnight, and then he went back to the city from which he came, and was anxious, as I think an honourable man should be, to re-enter the ranks of his trade, and go on with his old work ; but he was told at once : "You are a member of Parliament, you know, 'one man one run,' 'one man one vote'; so also it must be 'one man one job.'"" " You are a politician, and we are not going to allow you to do any other work." Mr. ARNOLD .- That applies to-day. Captain RUSSELL. - I have no doubt it does. Well, then, I ask, Is it desirable that we should make such a payment to members that men will be induced more and more to compete to get into professional politics, and abandon for ever the position as an independent worker ? It is a most unfortunate position for any man to occupy, because we, many of us, know by experience that all will, sooner or later, be defeated. Take the Parliament of ten years ago, when the last increase in payment of members was made, and there are very few left in the House who were in Parliament then. Are we to say, then, that when once a man becomes a member of Parliament he is to be maintained by the State until his death? It appears to me we should not, though the Premier, when speaking of the £150 a year paid to members in another place, said that such a sum was only keeping a man in genteel poverty, and that he could not return to his work. Surely that is a very unfortunate position. Mr. SEDDON .- He could not work whilst holding the position. Captain RUSSELL. - Excuse me; the honourable member said that a payment of

<page:1163>

poverty, and he could not return to his work." Mr. SEDDON .- I was speaking of the recess. He could not return to work when the session was over. Captain RUSSELL .- That really means that he could not return to his work for seven years. Then, at the end of that seven years, and perhaps after reappointment for a further seven years, the rush of trade competition might be such that he would be shut out from his employment and would not be competent to earn what I may call an honest livelihood. That would appear to me to be a dangerous position to advocate. Then, I think we should place the members of the Council on the same terms as ourselves as regards remuneration; the members of the Council have to make an equal sacrifice of their time, although they may not be employed for such long hours. An Hon. MEMBER .- They have no election expenses. Captain RUSSELL .- The honourable member was not here when I argued that we have no right to put forward the cost of elections as part of expenses, otherwise the sitting members would be paid to fight the rest of the world. I think the Council would do well to set this Bill on one side, unless they are placed in the same position as ourselves. Just a word about leave of absence. I agree that those members who represent remote constituencies ought to be allowed a longer term of leave of absence than is provided in the Act of 1892. An Hon. MEMBER .- Why should they be fined at all ? Captain RUSSELL .- I was coming to that. I think we should repeal altogether clause 5 of " The Payment of Members Act, 1892," and leave it to the honour of members to attend regularly to their duties. I think we should allow a member to settle such points with his constituents. An Hon. MEMBER .- That is the way it is in Australia. Captain RUSSELL .- Quite so; and I think this section 5 of the Act is a reflection upon ourselves, and therefore I should like to see clause 5 of "The Payment of Members Act, 1892," repealed, and I should like to see the Council placed on the same footing with ourselves with regard to remuneration, inasmuch as they have to make the same sacrifice of

time as we have. Sir J. G. WARD (Minister for Railways) .- I think, Sir, the last speaker has placed his views before the House very fairly and without heat, which all the more adds to the weight of his arguments. In that respect-if I may say so without egotism-he has taken a lesson from myself in being cool and collected, and therefore able to put on record his views without any display of heat. But what troubled me in connection with his speech was the view he expressed that £200 was a sufficient honorarium for members of Parliament to properly represent their constituencies upon. Now, Sir, I venture to say, if such an amount as that were fixed in this country, it would be simply opening the doors to those who have an income considerably beyond £200 in private life. That is my belief, and I will endeavour to explain why I entertain that opinion. In the first place, it is all very well to talk about election expenses of members of the Lower House; but I say a member of the Lower House not only has to fight very hard to get in, but to fight very hard to keep in while here, because it is well known that you have the watchful political dogs outside the House ever ready to pick the bones in your absence, and, if they get the chance, to " shake " the bone altogether, and so shake you out of Parliament if they get the ghost of a show. Now, what is the experience of every man who has come to Parliament, either to the Legislative Council or House of Representatives, since payment of members has been in operation in New Zealand ? I say nine men out of ten have had to establish two homes ; and I have no hesitation whatever in saying that, if a man will openly and freely state what his experience has been at the end of a session of Parliament, he will be bound to state he found himself on the wrong side, so far as his expenses both of his own home and those incurred at the seat of Government were concerned. That being so, when the honourable member advocates a remuneration of only £200 per annum the only conclusion one can come to is that he wants to select class only to come to Parliament, as so low a paid man who desired to serve his country would have no opportunity, unless he courted personal ruin, of coming here at all. After all is said and done, in a young country such as New Zealand is, if you want the requirements of the people attended to, you must draw upon a class of comparatively poor men, among whom it is almost impossible to find those whose resources are sufficient to enable them to get here, and to put up with the average expenses of members while carrying on their duties. While the honourable member may deprecate the practice and suggest that it was a want of courage on the part of members not to withstand this continual pestering for contributions in their electorates, I am sure if he told us his own experience we would find he has paid many hundreds of pounds since he has been a member of this House in this manner ; and in a degree, more or less, that is the experience of us all. We find, and it is one of the penalties of greatness, that as soon as a member of Parliament enters the portals of this House he becomes, in the eyes of some of those who sent him here, an object for earnest solicitude, and he is expected to contribute to many things in his constituency, to say nothing of contributing to private subscriptions, of which we all get our share. And I think if such a retrograde step as has been suggested by the honourable gentleman were taken, of reducing the pay of honourable members, it would be a bad thing for the colony as a whole. You would have people here in all probability making a great deal more for themselves and their friends by going for class legislation, instead of that for the use and benefit of . -

<page:1164>

of this country have been poor men ; some of those who have done the greatest good for the colony have been poor men. I carry my mind back to Sir Harry Atkinson, to Mr. James Macandrew, to Mr. John Ballance-men who sacrificed themselves- Captain RUSSELL .- They only had £100 a year most of their time. Sir J. G. WARD .- The honourable gentleman will pardon me for saying they had in their time a great deal more. But I say they were greatly underpaid, and many others have been so too ; and I carry my mind back to the time they first came into Parliament, and they entered under great difficulties, at great cost to themselves, and both they and their families suffered by sacrificing that which the country did not provide for them. And I say it is no credit to the colony that men of that stamp, or those of the

present day, should be sacrificed. And this is the experience of most of those who have been passing through the history of this country as representatives of the people. I remember an honourable member-then a leading member of the Atkinson Government, who had brought about the reductions-expressing the opinion, long after the reduction took place in the salaries of Ministers and the honorarium of members-I heard him express the opinion that we had gone too far in that respect, and that a great mistake had been made in what they had done. I was then a member of the House; and I have no doubt whatever we did go very much too far, and the result was that when the turn of the wheel came, the increases in various directions were greater than they would have been had we not gone so far in the other extreme. There is not much to be gained by going too far in anything, because when the tide turns and the floodgates are open the rush of water is so great as to carry with it what under more placid conditions and with quieter water would not be borne along the flowing stream. I have listened very patiently to the remarks of some members who were putting their views on record, and I could not help smiling when I heard the honourable member for Franklin, in his calm, dispassionate, deliberate way, arguing that we should not go in for increases in view of the fact that there was too great a tendency in that direction. If the honourable gentleman would only give us example instead of precept --- Mr. MASSEY.- I always do. Sir J. G. WARD.- Well, my honourable friend is the biggest gourmandizer of excessive amounts of money for the northern part of the colony of any man who ever sat in Parliament. He stops at nothing; no amount is too big for him. I recognise that one must give an opponent credit for what he is endeavouring to do; but when I heard him get up in so bland a way and suggest that too great increases were taking place I could not help feeling that he should have given us example instead of precept, and ought to have consulted his constituents before he asked the House to vote the enormous Sir J. G. Ward He has never done so, and I think his conscience must be pricked in making that comparison. I only want to say that, looking at the whole matter impartially, I believe sincerely that this colony does not want to have underpaid representatives carrying on the growing business of the country, and I am convinced that in recent years the demands made on members of both branches of the Legislature have been very much greater and heavier than at any time in the history of our colony. If the people want members to represent them on the system of payment which exists-and rightly so-the payment ought to be a fair one; and, though I am as deadly opposed to either extravagance or wasteful expenditure, either publicly or privately, as any man in the House, I do not believe £300 is too much for any person to receive who is serving his country to the best of his ability. He has to keep up two homes for pretty well half the year. He must in the recess travel a good deal away from his home, and his hand must be in his pockets many times where it would not be were he in private life; and he has to carry on the public work of his constituents during the recess. This must be taken into consideration. Believing that £300 is not too much, but is a fair and reasonable payment, I for one am prepared to support it; and I believe every right-thinking person will support a reasonable remuneration being given to the representatives of the people. Some honourable members say that £300 a year for one session of Parliament is a very large sum, but the length of the sessions are increasing, and it would appear to me the multitudinous duties thrown on the Government and those who support the Government, or oppose it, as members of Parliament-I say the multitudinous duties now asked for by the constituencies have become all-the-year-round work, and, with the many calls members have on their time and pockets which did not formerly exist, there has been a great change in that direction, and we ought to be able, in our places either on the platform or in the House, to place on record our views upon a matter such as this, and to put before the people, that as representation is on the basis of payment the payment should be fair, or else there should be no payment at all; and I say the latter would be most injurious to the people as a whole, while it might, of course, benefit & select few. If we go back to the old system of not paying members at all, what would be the result? It would cost the people, indirectly, many thousands of pounds a year more than it does by

openly providing for the payment of members to a reasonable extent such as that now advocated. On this question of a comparison with other countries, I wish to say that the amount paid in Victoria and New South Wales is very much higher than the amount paid in New Zealand. I am not going to say anything to create an impression in the minds of any one in this House or beyond this House that the members of Parliament in New Zealand are better than the members of

<page:1165>

are as good ; and not only that, but the calls on the Government, and consequently on the members of Parliament, are very much greater in New Zealand than they are either in Victoria or New South Wales. Again, in both those countries-this matter was referred to by the Right Hon. the Premier-many of the members can and do go to their homes every evening, though in some cases it may be a hundred and fifty miles into the country. An Hon. MEMBER .- They have better railways. Sir J. G. WARD .- I am much obliged to the honourable member for putting in my way the opportunity of giving a free advertisement to our railways. As a matter of fact, our railways beat theirs hollow. If you want proof of that I will refer you to the eulogistic editor of the Scotsman, who travelled through the colonies not so long ago. He said the New Zealand railways were excellent. He praised them generally. He was a hard-headed Scotsman, who went through our colony with an observant eye, and I believe he gave expression to what he felt. The reason they can go to their homes, or many of them, is that both Melbourne and Sydney are the centres of their two countries, and everything converges upon them. Here it is not so ; our towns are more numerous and our country is scattered. Now, regarding the Wellington members : I do not believe in making any distinction as to locality in the payment of members of either branch of the Legislature. I am disposed to think that, while some other members may entertain a different opinion, the members of either branch of the Legislature should be remunerated without any distinction as to locality-unless you adopt a system of disfranchising the seat of Government altogether. However, so long as there is payment of members there should be no distinction in the payment to members of either branch of the Legislature as between Wellington, Auckland, or any other portion of the colony. That is my opinion, and I desire to express it with due deference to those honourable gentlemen who hold a different opinion on the matter. There is no doubt that men living close to the seat of Government, by comparison with those who live at a distance, do not find anything like the same disabilities that are experienced by those living at the greater distance. A man can carry on his own ordinary avocation here during the day-time if he resides in the place. Mr. ATKINSON .- During the whole of the day ? Sir J. G. WARD .- No; I do not say the whole of the day. Mr. HUTCHESON .- My experience is to the contrary. Sir J. G. WARD .- Well, the honourable member ought to know, of course, and I am not going to cross swords with him over that ; but, at all events, the honourable member who resides here, or who can reach his home easily, is able to do without making provision for a second home, and that is an important factor advantage of living here must realise to the fullest extent. Personally, I know what difference it means myself-the difference it makes of having a home here and having another home in the far South-and therefore I can speak with the experience of a year or two, and I say there is no comparison whatever. The member who is able to live here has comforts and conveniences which he could not expect to have if he were living away from his own home. So I say, when considering a matter such as this, those who are able to get easily to their own homes-such as those who reside all the year round at the seat of Government-have advantages that are not possessed by other members of the House whose circumstances compel them to live at great distances from the seat of Government, and consequently have to maintain practically two homes. Now I come to the question of leave of absence. I believe members should, over a session, be entitled to a fortnight's leave of absence, instead of ten days. I am of the opinion that before they come under the penalty of £2 a day they should be entitled to a fortnight. I have had experiences as a private member of requiring to go to my own home, and if I did so only once in a session it took more than five days, and as

a consequence a reduction of £2 a day was made in my honorarium; and I know that there are members who have occasion to go home during the session, and who would go more than once if they did not find themselves under the penalty of £2 a day, therefore, I say, it is a great deterrent against a member going home. And when members do go home during the session they are frequently interviewed by their constituents, and are there at work nearly all the time. I say, in the face of what I know from my own personal knowledge, there appears to have been an absence of consideration in those framing the conditions for the payment of members of Parliament. I am speaking now for my fellow-members more than for myself. I now reside here, and it does not affect me personally any more than the increase of the honorarium, which honourable members know does not apply to any of the Ministers. The country does not want members to come here and spend their time at very great inconvenience to themselves without obtaining reasonable payment for their services; and I feel sure it does not wish them to come here, year in and year out, at a loss to themselves. But I urge that while some honourable members are of the opinion that this matter ought not to be settled without going to their constituents, yet if you are prepared to advocate what you consider to be a reasonable consideration for members of Parliament, it does not matter whether you do so on the public platform or at any other time, for in any case you have to accept the responsibility before your constituents whenever that occasion may be; and I can only myself say that I believe, if the great majority of the members of this House were untrammelled

<page:1166>

them that would say honestly that £300 a year is too much to enable him to pay his average expenses during the twelve months he is serving. Therefore the logical position resolves itself into this: that if payment of members is to be a fair one it should be sufficient to enable the member to render his public services without loss to himself. I say he cannot do so now unless he is too mean to be a member of Parliament, or is so rich that all monetary consideration is of no moment to him. It is not a question of his being a professional politician because he receives £300 as against £240. I say that most men, even with a honorarium of \$300, would require to do something in the recess to add to their income in order to maintain themselves and their families; so I say it is not a question of becoming a professional politician at all, as was suggested by the honourable member for Hawke's Bay. I do not believe, if you take a member of the Legislative Council, unless he goes into business of some kind when he goes back home during the recess, and fills in that time with some ordinary occupation so as to add to the consideration now given him by the country, that he can carry out the duties of a Legislative Councillor without loss to himself. And yet I believe the average man who is selected to represent the working classes in the Legislative Council, or the man who represents the farmers of the country, or even the man sent to represent the mercantile section of the community - unless he is a man of considerable means or private resources to make him independent of remuneration altogether from his position, he will find that in the recess, to adequately reimburse him or help him to add to the honorarium he receives for devoting himself to the service of the country he must engage in some occupation. And, holding those views, Sir, I am myself inclined to think that, upon mature consideration, although some honourable members may, from the best of motives, be opposed to the proposal, I think that there are not many people in New Zealand who would grudge the payment of £300 a year to any member of this House, or \$200 to any member of the Legislative Council, who conscientiously, assiduously, diligently, and faithfully carries out the duties appertaining to the position -- especially considering the growing demands, and the increasing requirements of the country on their representatives. Again, I say, take the case of the adjacent colonies and contrast the position of the present New Zealand legislator. I think the New Zealand legislator ought to be paid at least as much as is given in the individual State Parliaments, to say nothing of the fact that in the Commonwealth Parliament £400 has been laid down as the remuneration. The details of the measure may require some consideration. Some honourable members, I

understand, are anxious to reduce this amount to £200 per annum. Mr. HUTCHESON .- I am against that. Sir J. G. WARD .- I am glad to hear the Sir J. G. Ward honourable gentleman sitting on his right, whom he is in the habit of calling his mate, has, I think, an amendment to propose to make it £200. An Hon.

MEMBER .- He stands alone. Sir J. G. WARD. - No; the honourable member for Hawke's Bay has said that he is prepared to see £200 a year paid to members of this House. Well, I have heard it said here that when the amendments come on it would be carried if it were made to apply to the three honourable gentlemen. But, now that Mr. Atkinson's friend is opposing it, he and the member for Hawke's Bay will be found almost alone. Perhaps the singular distinction may be sufficient recompense to my honourable friends for the House to ticket them off as £200 a year men, and the rest at the rate of £300 a year.

However, I take no exception to the honourable members entertaining their own view in this respect ; they should be the best judges of their own value. I rose for the purpose of stating my belief that the proposals contained in the Bill are not unfair, and that the country is not averse to members of the House of Representatives, and also members of the Legislative Council, being reasonably paid for the services they render to the State. Mr. MONK (Waitemata) .- I feel, Sir, in that happy position of being not in any way committed to this question. I am thankful to say that my constituents returned me with a perfectly open mind. I can act or vote as I like in matters of this kind; but I feel I must be governed by my sense of taste to my constituents and by my own opinions on matters as they come up before me as to the manner in which I should vote upon them. I had strong opinions about the £40 being granted to members, because of the amendment to the Public Revenues Bill, which enabled the Government to grant that £40. I did think that wrong; but in this case, if the House should carry this measure by which members are to receive £300, I shall feel it is legally obtained. I do not think we are under any necessity to go back to our constituents and ask whether we shall take that money or not; but I have the opinion that I cannot fall in with the conception of taking any more than that which I am now receiving. And I have a very good reason for having that strongly impressed upon their minds, because I have for years represented a constituency which I know requires every pound that could be granted out of the Public Treasury for its actual necessities. I have such communications as these : " Good job if Parliament were sunk in the sea ; it would be a good job, and there would not be the waste of money, while we are in mud and cannot get our roads made "- "A good thing if all the legislation that has been passed in the last seven years were swept away, as it will only lead to trouble and embarrassment in the future." An Hon.

MEMBER .- They are pessimists. Mr. MONK .- No; they are some of the soundest thinkers I know, and I would not

<page:1167>

second to that even of the honourable member who made the remark. Now, I will take the liberty of reading a telegram which came to my hand just when the Premier was in the act of delivering his special plea in favour of increasing the honorarium to members, and it is characteristic of a very large number of telegrams addressed to me from various persons :- " People disgusted with North Auckland Railway vote. Have wired Minister. North Auckland members appear not very interested. Certain Auckland members are to be complimented on their efforts. Road votes for county most unsatisfactory.

Maungaturoto Wharf useless unless new vote of £400 to complete road ; also, £250 required to carry on works on Maungaturoto-Paparoa main road in Maungaturoto. Please insist on , these sums being voted." Those votes that he mentions were already on the first estimates, and perhaps if I could only know the secrets of the Cabinet I should see that the Premier's hand struck them off. I know I have interviewed Ministers privately time after time to give consideration to the needs of the people of the North-some consideration in proportion to the amount which they yield to revenue and in proportion to the liabilities they have to bear of our loans. In the face of that, when I see what I consider unfair treatment being inflicted, how can I support a proposition to still further increase my pleasures while their

necessities are being ignored? I cannot do such a thing. I may further add that I believe if a plébiscite were taken throughout the colony we should have a very large majority voting against the expenditure of moneys that we have so recklessly passed in the estimates. I believe the Defence vote would be knocked down by one-half, and a hundred other items besides would be reduced. I am afraid the Government have lost sight of the necessities of the country districts, on which all our prosperity and success depends. Never before was there such mad waste. Then, I do not think the increase to our honoraria would bring about the benefit to honourable members that some suppose. Only let it be known that members are receiving another £60 a year, and they will be inundated with additional applications for help; and there are so many that need help-actual need that you cannot well refuse, and cases of necessity, injury, and affliction-cases which members must respond to-claims that may amount to more than members will receive by the increased honorarium proposed in this Bill. As an instance, I may mention that when the £40 was granted last year I was pressed with applications, mentioning that as I had that \$40 I could help the applicants in consequence of that increased payment; and although I felt that I could not justly utilise the increased honorarium for myself, I found that my disbursements amounted to £12 more, simply because I was supposed to have been enriched by the extra £40. Here is another point: I do not believe that the increase of pay is going to bring better men into this Parliament, but the reverse. I have no sympathy, but rather a direct antagonism, to the statement made by the Premier, that when men are returned to this House it unfits them for their ordinary avocations. Speaking for myself, I do not feel in the slightest degree unfitted for my ordinary business. I do not feel that I am specially elevated by coming to Parliament. I come here weighted with a sense of responsibility, and I think that sense of responsibility should rest upon the shoulders of every member who occupies a seat in this House. Is there to be no reward or recompense in a sense of patriotism; is there to be no love of country, is there to be no thought of the welfare of our fellows. My feeling is that I am here to stay any legislation that I may regard as being detrimental to the welfare of the country, and to assist to pass legislation which may be for its benefit, and, in my humble way, to shape such measures which I think will tend to the future welfare of the colony. Are there to be no men in a democracy-which is a form of government in which I think we should specially have disinterested men-are there to be no men bearing some resemblance to Cincinnatus, who was prepared to leave his plough when his country required his services to lead its armies, and retire to his fields when the public work was finished? Let me refer honourable members to a statement made by a great statesman and thinker, who wrote that a politician has no more right to wrongfully appropriate or misuse one shilling of the money placed by the taxpayers in his care than he has to misuse the money of a private person. I believe that to be absolutely correct. My opinion, from what I see, is that there is not that equitable consideration for the needs of the whole colony that there should be-that there is not that true patriotic feeling for all which should actuate members of the Ministry, and make them concerned that none shall be overlooked. You will remember that Parliament reduced the number of members, and the payment, owing to necessity to economize. I may say that I believe that the different constituencies are under a disadvantage in having the number of members reduced, and I believe that it gives an undue preponderance of power to Ministers. But why should the expenses be so much larger than what they were? Are we not becoming too extravagant? Are we not losing the simple habits which should be a characteristic of a democracy? Have we not become wasteful, as having some special right to squander the people's money by virtue of being members of this Chamber, instead of feeling we are simply one with the people, and that our habits and consideration for what we take out of the public Treasury should bear some proportion and be in harmony with the income of the majority of those whom we represent? My opinion of the democracy is that there should be none suffering poverty, but I am not anxious there should be any special emoluments given for the benefit of honourable members, or that we should use

<page:1168>

in a mercenary manner the opportunities we possess ; but until there is a surplus of money, having no need to borrow as we do, and until we have provided the country with roads-we are only a new country, and there are special demands upon the pockets of the taxpayers- we should not depart from the sentiment in practice and continuous resolve to be economical in every direction possible, in order to have more money to spend on works that are absolutely necessary for the welfare of settlers in the back out-of-the-way places, and to help those who have not yet the proper means of carrying their produce to market. Do you think I could feel satisfied in taking even a pound or a shilling, knowing what a very small sum indeed has been allowed for the extension of the railway north of Auckland -& railway I know people have been waiting twenty-five years for, and who are yet without reasonable access to their markets up to the present time? Of course I cannot. Now, I think the statement that has been made by some honourable members-to leave this matter over for the next elections-is only reasonable. It is not so very far off. It will be very little loss to each member ; and I say it will be more honourable and independent to tell our constituents from the platform that we consider that not less than \$300 is the remuneration that we ought to receive, and to ask their opinion upon it. Let the constituencies from one end of the colony to the other say what they desire on this matter; but to take it now, when they understood-at least, nothing was said about the matter so far as I am concerned, but the understanding was that I was to receive an honorarium of £240 a year ; and I can assure honourable members that I am speaking with all sincerity, that I feel too proud in spirit to take anything that is indelicate or ungraceful by voting it for one's self in the manner as is now proposed. Is it wrong to feel a pride of that kind ? Is it wrong to be so proud that I would not have it uttered from the lips of any of my constituents, " You have taken advantage of your position and added £60 a year more than you agreed to receive. Why did you not come and tell us you thought you ought to have it ?" The very gibe that would be flung in one's face would be an annoyance, and I hope honourable members have something of the same feeling, although I know some have expressed themselves differently. I do not want to waste the time of the House, but I think the Right Hon. the Premier must recognise there is something belonging to the dignity of one's position in this House- that we should not be ready to vote any accession to our honorarium until the matter has been openly submitted to the various constituencies from the platforms of the colony. Mr. LANG (Waikato) .- It is my intention to oppose this Bill, for the simple reason that I was elected on the understanding I should receive \$240 a year, and I consider it wrong that we should endeavour to increase that sum during our term of office. If it was necessary to increase the honorarium of members, I Mr. Monk think it should be brought before the electors at the time of the general election, and let them say if they are of opinion it should be increased or otherwise. I maintain that has not been done. One or two honourable members have said it had been mentioned in their electorates, but those must be isolated cases, for in any speeches I have read during the contest the question of an increase in salaries was not mentioned in any way. If this Bill passes its second reading I believe an amendment is on the Order Paper to the effect that it shall not come into force till after the next election. If that is moved it will have my support, because that is the next best thing we can do. I look upon the £40 vote of last year as being wrong, but it seems to me the £60 this year is just & . - bad. I cannot see the difference that some members and some electors see between the two. I say, if £40 is put on the estimates any member of the House can raise his voice against it, in the same way as they can oppose this Bill. I think it is splitting straws to say there is a difference between the two. It is useless to debate the question at any length, for every member has made up his mind which way he is going to vote. It has been before the country, and has been discussed in the lobbies, and nothing that can be said will alter a vote. I shall content myself, therefore, with giving my reasons for opposing the Bill. Reference was made to those who voted against the £40, and then took it. I look upon it that if the House passes a sum on the estimates or a salary by a Bill it is a member's own

business what he does with that sum. It is more or less impertinent for any member to endeavour to dictate to another what he shall do with it; it rests between the member and his constituents. I opposed the bonus, and also oppose this Bill, but I would not think of dictating to others if they thought right to vote for it and accept it. One thing was clear in my own mind as far as the £40 bonus was concerned. I had no intention of handing it back to the Government. I look upon it as voted by Parliament, and it is my own business what I did with it. I did not enrich myself with it, and it would be just the same if the House had voted \$500. Many members have given reasons for the necessity of an increase of their salaries -that they are put to greater expense than formerly. I am quite ready to admit that since I have been in the House, for nearly eight years, the expenses of members have increased year by year. But that is not the question; we should look at it that we were returned for a certain time, and we made & bargain that we would return to the House to serve for £240 a year, and when we have made a bargain we ought to stick to it. Mr. ARNOLD (Dunedin City) .- I am sure the tone of this debate must be pleasing to all. Some twelve months ago, when the sum of \$40 was passed on the estimates, we had shriek after shriek passing through the Press and from the lips of members on the public platform, not only in harsh language, but to a very great extent exaggerated. That was taken up

<page:1169>

and reproduced from some of the pulpits of the colony until the most innocent were led to believe that the members of the House had committed one of the greatest crimes possible to be committed. It was anticipated by some that when the discussion took place on this Bill some of this warm, exaggerated language would be repeated. I am sure, however, we must be pleased with the moderate tone of the debate to-night, and with the desire that evidently exists to do each other the justice of speaking and voting as they conscientiously believe to be right. The question of payment of members is one that is past debate. It is a question that is now recognised as being right not only by the Liberal or the Radical people of our colony and the Old Land, but also by those whom we consider the Conservatives. There is not likely to be a return to the time when there was no payment of members. The Liberal party, especially, has protested time after time that the members who serve their country in the Parliaments of the world should have some remuneration, and this has been brought about by the belief, as was stated to-night by the leader of the Opposition, Captain Russell, that the poorest man, if he had the ability, should be permitted to enter Parliament and represent those who sent him there. To-night, Sir, a considerable amount of attention has been paid to those who are looked upon as labour representatives. It has been said it is impossible that a man who is taken from his bench should go back to that bench in three or four years as good a tradesman as he was when he left it. It has been contended that it is impossible for that man to go back to his trade in the recess ; _ and, on the other hand, some have said that a member should be able to go back to his trade during the recess, so that he need not be dependent on his honorarium for his livelihood, otherwise he would become what has been termed to-night a professional politician. Now, let me say this : that the labour representatives in this House-I believe I speak for the whole of them -do not ask the sympathy of the other members or the support of the other members for the labour members personally. We are as independent as any other class of members. If the House thinks it is wise to reduce the honorarium to £100, we will be found here doing our duty as we are to-day ; and therefore I think it is the right thing that each member should vote in the way he thinks right for him to vote, and not out of sympathy for any one. I trust that when this session is closed we shall not hear from the public platform or see in the public Press that any member of Parliament has stated he did not wish the amount to be passed for himself, but that he voted for it as others required it. Sir, we do not require it unless it is a fair thing; we do not ask for anybody to vote for us out of sympathy, because we can live without it. Let me put this view to the honourable member for Hawke's Bay : Suppose a labour member leaves his bench and comes to Parliament. VOL. CXIX .- 73. own city. He has been a good worker, and has

received a fair salary. He goes back to his employer. Would that employer put up with that member of Parliament for the next nine months ? The fact of the matter is, if he returned to the workshop the bell on the door would be ringing every quarter of an hour, and the inquiries would be for the member of Parliament, and that somebody was calling on him as a member of Parliament, and consequently the whole management of the business would be upset in consequence of this one person being employed in that manufacturer's establishment. If a member of Parliament went out of his shop or factory at any time-it might happen to be dinner-time-you may be sure that he would not return again that day. Besides, the life of the city member is such that he could not possibly do so. The numbers of deputations that he has to attend to, the numbers of meetings that he has to be present at during the day, would prevent him getting a position in the service of any employer ; and consequently he must either look out for a business of his own that he might attend to during the recess, or else he must live upon the amount of honorarium he is granted by the State. To-night we have been told, and told honestly, by a large number of members that they believe £300 is a fair amount to be placed at the disposal of members, but they do not think this is the right time to vote it. Now, in my own opinion, the whole question rests thus : In the first place, what is the right amount ? And, having come to a conclusion as to that, what is the right time to vote it? We have been told by some that £300, in their opinion, is a correct sum, but, not having communicated that thought and not having been advised by their constituents, they do not think they are justified in voting it at the present time. Very well, in my opinion every one of these representatives should do what the honourable member for Wellington City (Mr. Hutcheson) has done: they should stand up in their place and tell their constituents that \$300 is a fair sum in their opinion, and that they will vote for it after they have consulted their constituents, whom they believe to be their employers. Then, there are those who think it is a right thing to vote for the £300, but that it should not apply to the present Parliament, and that it should only apply to the next Parliament if a Bill should be passed next session. Now, we are not all blind or thoughtless, and the majority of us value our position in this House. We recognise we have opponents, and will have opponents at the next election, and we anticipate some of the tactics and some of the speeches that will be made at that time. Now, Sir, supposing this Bill comes down in the dying hours of next session and it is passed, and we vote for it taking effect in the Parliament following, what will that meet with ? Our opponents will tell our constituents that, "These members of Parliament voted for an increased honorarium, of course believing that they were coming back to the House to enjoy

<page:1170>

believe that they themselves would be returned they would never have voted for it ; and these are the kind of members you have had ! "-so using this weapon to bring about the defeat of the present members of the House, that they might come to the next Parliament and reap the benefit. I do not use this as an argument on my own behalf, because it matters very little to me whether I come back or not. have a trade at my fingers' ends, and in three years' time I can go back to that trade. And let me say this : Captain Russell mentioned this evening-believing that he was correct, of course-that \$200 per annum was as good to a man as £3 a week wages in a trade. Now, I can say this: that £5 a week-that is the average of £240 a year-will leave a man poorer at the end of three years than £3 a week if he is occupied in his trade during that time. I have had two years' experience, and I know what I am talking about. Now, Sir, if this is to come into force after this Parliament expires, at the next election it would be used to bring about the defeat of the present members of Parliament ; and I do not think we are called upon to place that weapon in the hands of our opponents. Whether we value our position to any great extent-we all do value it as an honourable position-but whether we value it to any great extent, we certainly do not feel inclined to put a weapon in the hands of our opponents that will bring about our own downfall. Then, the question is with regard to our constituents, and we have been told that our constituents have not been consulted. Well, several members have stood up and said they had consulted their constituents, and in every case the

constituents had expressed good-will to the vote in this Bill. But I go further than that, and I say that #cc-zero since the vote was taken last year on the supplementary estimates this vote has been before the country. It was not many days after the last session that the Premier stated on a public platform that he would bring this Bill before Parliament this session, and some members have spoken from the public platform, and stated if it was brought down they would support it. Let me ask honourable members how many of them have received letters from their constituents protesting against this Bill passing. I think it will be found that very few have received notice from their constituents that the question is not a popular one. As far as I am concerned-and this is chiefly what I stood up to say-as far as I am concerned and as far as my colleagues are concerned, for I think they took up the same position when we addressed our constituents in Dunedin-I will quote from the Dunedin Evening Star of the 4th June, which reports my pre-session address, and it says :- " Mr. Arnold was in favour of increasing the payment of members. The members of both Houses of the Federal Parliament were to receive £400, and if the members of the New Zealand House got \$300 they would only be placed on the same footing as their fellow- Mr. Arnold were introduced by Mr. Seddon, he for one would vote for it. (Applause.) That was at a large meeting in the Princess Theatre, and at the close Mr. J. P. Armstrong moved a vote of thanks and renewed confidence in Mr. Arnold. and the motion was carried unanimously." From that day to this I have not received a single complaint, and I have not met with a single person who has stated that in his or her opinion I was doing wrong by voting for this Bill; and consequently, while others may feel that they should not support it because they have not consulted their constituents, I feel quite justified, because I have consulted them, and they have expressed confidence in what I did last session, and in what I stated I would likely do this session. I will therefore vote for the second reading of this Bill, and support it through Committee. Mr. ATKINSON (Wellington City). - Sir, realising that the friends of the Bill can best show their friendship at this late period of the session and at this late hour of the evening by saying as few words as possible, I shall feel it my duty to explain at some length the reasons for the vote I am going to give. At the same time, to show I have no desire to obstruct the Bill or the other business of the House, I wish to intimate that before I sit down I shall move an amendment to the motion now before the House, with a view of postponing the second reading to this day six months. There have been a number interesting speeches in support of the second reading of the Bill ; but, unfortunately, the greater part of them were, in my opinion, quite irrelevant to the real issue before the House. The Right Hon. the Premier very cleverly endeavoured to suggest that I was in favour of the course now being taken, because I had said it was preferable to putting an increase upon the supplementary estimates. I am glad he endeavoured to put that interpretation upon my interjection, because it has caused me to look up what I did say on the question of the £40 bonus when it was before the House, and really there is nothing I desire to modify or withdraw of what I then said. Referring to Hansard of last session, members will see that during the debate on the supplementary estimates I said :- "On the face of it, that was simply a mode of increasing the honorarium, which was already fixed by statute. It seemed a most astounding thing, and a most extraordinary position for members to take up, to be increasing their own salaries without consultation with their employers-the people of the colony. Were they going to say that, without reference to the people, they were going to fix their salary at anything they pleased! He did not say the present honorarium might not be properly increased. He had never felt, himself, that it was insufficient, and never considered it so, but he never heard it mentioned at any time publicly that it was insufficient. He would not say, however, that it might not be properly increased ; but it was utterly improper, and ought to be beyond the

<page:1171>

without reference to the people, either at the general election, or, at any rate, in some way that would enable the opinion of the country to be taken definitely. The labourer was worthy of his hire, but he was

not entitled to increase his hire without reference to his employer. The indirect way in which this increase was attempted made it worse. 'Good salaries, but no pickings,' should be their motto, but this £40 'sessional allowance' was of the nature of pickings." Then, in a second speech, - "He declined to express an opinion as to whether this would be a proper subject for legislation as affecting merely future Parliaments, but would say that if that course were followed it would not be open to the objection that they were betraying their public trust, which was to administer the finances of the colony economically, and not in order to benefit themselves." Honourable members will see that there is nothing there I need qualify in taking the stand I now do with regard to the present Bill. The Premier appealed to some who could afford to do without this increase to be "generous" towards those who might not be in so happy a position. The honourable member for Palmerston stated there were four millionaires in the House, and no one can accuse me of being one of them. But even were I one of the happy four I should not feel it was a case where generosity came in, seeing that I should be dealing with other people's money. It would not be giving away the millionaire's money if I voted for the second reading, but giving away the money of the country. The Premier also stated that if this Bill were postponed to next session, and then passed, it would leave members seeking re-election open to the taunt of being "self-seeking and looking to their own advancement and preferment" in the vote they gave in regard to the Bill. The honourable member for Auckland City (Mr. Napier) said if the consideration of the Bill were postponed people's minds would be distracted from more serious questions by looking to the subject-matter of this vote. Well, that is an astonishing argument. The Right Hon. the Premier, in saying that members would be accused of self-seeking, and looking to their own advancement and preferment, has said a harsher thing than any opponent of the Bill has ventured to say this evening. But, so far as the argument is a good one, if it has any potency at all, why will it not be just as applicable now as if the Bill were passed next session? On the merits it would be just as strong then ; but the Premier and, I suppose, the member for Auckland City (Mr. Napier) consider that the people's memories are so short that they will not remember for such a length of time as twelve months. That is a sorry shift to which the advocates of the Bill are reduced. Assuming that we were discussing the Bill towards the end of next session, the measure could not possibly have any operation until after we went before our constituents- any taunt that we were passing the measure for our own personal benefit. The member for Wairarapa referred to the "Conservative party" as supporting increases in all salaries but their own. I do not know whether the honourable member puts me down as a member of the Conservative party, but I shall be very proud to be classed as a member of the Conservative party on the ground that I and they are both not Liberal enough for the member for Wairarapa-not liberal enough, that is to say, with other people's money ; and on that understanding I shall be very proud indeed of the title. Just one word on the financial aspect of this matter. Of course, the proposal is an increase from £240 to £300, and in one respect that is a very trifling matter ; but I have worked out here the total effect of the increases in the salaries of the Governor, Ministers, and members of Parliament, passed last year or now contemplated. The figures are as follows :- £ Governor 2,000 .. Ministers-Salaries 3,100 500 Travelling-allowances .. 160 Travelling-expenses, say .. 400 House allowances .. 300 Private Secretaries (two extra) .. Legislative Council- Forty-six members at £50 .. 2,300 . House of Representatives- Seventy-four members at £60 4,440 .. Six extra members at £300 1,800 . . . £15,000 Total Those six extra members were really agreed to as an essential factor in passing the Ministers' Salaries Bill of last session. One honourable member said that while some members of the House opposed this increase in the payment to members, yet they approved of the payment of £130,000 to the Midland Railway Company. I wish to point out that the £15,000 involved in the increased payment I have just indicated amounts to a larger liability than the £130,000 proposed to be given to the Midland Railway Company debenture-holders. The position in regard to these two sums is that the latter payment will be a lump sum, the other a recurring annual charge. The actual increase in salaries provided by this Bill is

£6,740 a year, which, at 3} per cent., represents a capital sum of £192,000-or almost half as much again as the large sum the debenture-holders are to get. The total increase of £15,000 made in the salaries of the Governor, the Ministers, and members of Parliament re- presents, capitalised at 32 per cent., a capital sum of \$420,000, or over three times the amount to be awarded the Midland Railway Company. My colleague on my left reminds me that the Speaker and Chairman of Com- mittees had an increased vote of \$200 each, which, of course, has to be added to the sum of €15,000. Now, as an abstract question, the difference between £240 and \$300 is not worth arguing, and for that very reason the advocates

<page:1172>

of the Bill confine their attention to it in dis- cussing the matter. Nobody cares twopence about the abstract phase of the increase, as- suming that the Bill is not going to come into operation until after the next election ; and if that was all the Bill provided it would have a very easy progress through the House. I will Wellington member not say the average is not worth as much as four figures, but in regard to some of those who, never having attended on a debate, come in and upset the decision of those who have been attending to the debate, I think if we had counters their work would be done as efficiently and much more cheaply. If we are going to have a classi- fication scheme in the way my colleague sug- gests, he may perhaps prepare a classification scheme during the recess. It would certainly be a difficult thing to work it out on the spur of the moment. There is a proposal to discriminate-I think there are two Wellington members who will not profit by this Bill in whatever form it is passed-but I would sug- gest that we should discriminate, if at all, in the matter of residence, and not penalise a constituency in any way. The test should be residence in or near Wellington. That was actually the case in the Act of 1887, which was repealed by "The Payment of Members Act, 1892." There is no reason why Wellington should not, as it has occasionally done, elect some member not resident in the locality, and sometimes other constituencies have members resident here, and that ought to be made the test, and not the constituency. I should also suggest as an additional test, whether that par- ticular representative was of the right "colour " or not, because I think, in all seriousness, that a representative of Wellington of the right "colour " has probably a harder time than any other member of the House. I can speak im- partially upon the point, because I am not of the right "colour," and I am just thinking how the time of my junior colleague Mr. Fisher and of the member for the Suburbs and the member for Otaki is taken up. I do not believe that, however exacting other honourable mem- bers' constituents may be, they have the same opportunity of worrying them as the consti- tuents of these three unfortunate gentlemen have all the year round. Now, the real point, of course, is whether this Bill is coming into operation for the personal benefit of those who pass it. A good deal has been said about impu- tation on one side or the other, but honourable gentlemen will see that this imputation would not apply on one side of the argument or on the other but for the fact that they will get a per- sonal benefit through the Bill passing in its present form. I regret exceedingly that Stand- ing Order No. 187 does not disqualify a mem- ber voting for this Bill to come into operation in the present Parliament. The Standing Order reads :- "No member is entitled to vote upon any question in which he has a direct pecuniary interest, either in the House or Committee ; and the vote of any member so interested will be disallowed." Mr. Atkinson And, in view of the fact that if we vote for this Bill in its present form we actually have an addition of £5 to our very next cheque, it is difficult to understand how, at any rate, the spirit of that Standing Order is not violated by members who support and vote for the Bill as it stands at present. If the amendment of the honourable member for Lyttelton were carried the only difficulty would disappear, and there would be no ground for friction on either side. In deference to the able argument of the Minister for Railways on my amendment, I propose not to press my amendments for re- ducing our salaries on the House. They were proposed at a time when I took a gloomier view of the finances of the colony than I do now, and proposed with a view of showing how, if we desired to alter the salaries at all, it would be more reasonable and more legitimate to

alter them; and I hope the proposal will have the moral effect of making these honour- able members so grateful, if I do not pro- ceed with the amendment, as to be con- tent to allow the Act to stand as it is at present. Now, the point was raised by the honourable member for Dunedin City (Mr. Arnold) as to instructions from constituents. There are two theories of representa- 1.0. tive government - the trustee theory and the delegate theory. I submit whichever theory you adopt -- and I hold very strongly to the trustee theory-you cannot with consis- tency support this Bill. As delegates we had no mandate on the point, no instruction,- no intimation even,-from those who returned us here; we have had no consultation with them, and therefore to support this Bill would be absolutely ultra vires in so far as we are delegates. Now, as trustees there is a cer- tain sense of the word "trust " under which we might vote for the Bill. In English law & trust represents the most sacred obligation-the obligation of the trustee to look after the in- terests of others without consulting his own. That is the meaning of the word in English law and in common usage in ordinary speech. In the usage of American commerce it has different meaning: it means the combination of a privileged few with a view of fleecing the people at large for their own benefit. I contend that we are forsaking the English conception of a trust and giving our sanction to the American meaning of the word if we are to support this Bill. Allow me to call to my aid the " Pious Editor " of the " Biglow Papers." After expressing his belief in " special ways of prayin' an' convartin "-and the Premier, by the way, judging by his recent cablegrams, has been doing some praying lately ; but the Pious Editor spells it in a different way, of which also the Premier knows something, and ex- plains,- I mean in preyin' till one busts On wat the party chooses, An' in convartin' public trusts To very privit uses. We are converting the public trust reposed in us by the electors of the colony to the private use of increasing our own pocket-money if the

<page:1173>

of us can derive any benefit from it during the currency of the present Parliament-that is, during the term of the present trust. The argument that members should be more highly paid is entitled to consideration, and so is the hardship of those who come from the far end of the colony, and their difficulty of getting home at all with the very small number of days allowed off by law. I agree that there should be some scale to entitle them to the same net benefit from the exemption that members resident in and near Wellington are That seems perfectly supposed to enjoy. reasonable. But, as was first put by the honourable member for Christchurch City (Mr. Collins), the point is really this at present : We took these billets with our eyes open; we asked for them, and some of us took a good deal of trouble to get them, and what right have we now to object to the terms? I was hunting for something else a few days ago when I came across a leading authority which decides an almost exactly analogous point. Mr. Hudson, the "Railway King," was chairman of the York and North Midland Railway Company at a nominal salary of £1 per week. Of course, he was worth thousands a year to the company. Certain shares were put "at the disposal of the directors " by the articles of association or by a resolution of the company. These shares were taken by Mr. Hudson, who was practically the directors, for his own use, and it was urged that in consideration of the small salary it must have been the intention of the company to place these shares for his benefit. The case, York and North Midland Railway Company versus Hudson, was decided in 1853 by Sir John Romilly, from whose judgment I quote the following :- "When Mr. Hudson accepted the office of chairman he knew that the salary was not more than £1 per week, and yet he was content to give his services on that footing. He might possibly have considered that the station and influence acquired in the position of chairman of the York and North Midland Railway was a re- muneratation for the time and labour bestowed by him, even if his services were not paid by any salary at all ; but, whether they were so or not, it is the duty of every man who accepts any situation to perform the duties of it thoroughly and entirely. If they require his whole time and attention, it is his duty to give that whole time and attention to the due discharge of them. This Court can never counten- ance a person who is placed in a fiduciary posi- tion in

retaining for his own benefit sums of money which have come to his hands, or have been acquired by him in that character, although the acquisition of those sums is due to his own exertions, on the suggestion that his services were worth more than what was paid for them, and that he was himself entitled to ascertain and determine the just measure of their value. If this principle were allowed, I know not what there would be to prevent any clerk from retaining the property of his master on the plea that his master had not adequately rewarded his great and meritorious services." member for Auckland City (Mr. Fowlds) with regard to the persons who take charge of his business in Auckland while he is away. I submit the parallel is perfect, with perhaps two exceptions, which are against us - that is to say, there was no increase in the revenue as a result of our exertions ; and, in the second place, there is no obvious or glaring inadequacy in the pay as there was in his case. Now, for whose good is it being done ? The member for Waitemata said that raising the pay would not affect the class of representatives who will be returned at the next election. Well, that seems to me to be immaterial, because the fact that we can get an increase of salary now will have no effect on the choice of candidates at the coming election. The question is arguable if the Bill were postponed till after next election; but the fact, as to whether or not we shall take a personal profit from the Bill, as we shall if it passes in its present form, has absolutely nothing to do with the question of whether or not an increase in the salary for future Parliaments may or may not improve the representatives of the people. There is a constitutional aspect of the question to which I wish to direct attention : I refer to the enormous power over members that now rests with Ministers in the way of dissolving Parliament. A member is now elected at a salary of £240 for a three-years term. Now, the power of Ministers is increased very much owing to the fact that members are paid. The power is great enough in the Old Country, but it must prevail to a much greater extent in a country where members are paid, and therefore to a large extent dependent upon Ministers for retaining their salaries. But now, with an indefinite power on the part of Parliament at the instance of Ministers to increase members' salaries, there is absolutely no limit to Ministers' power in that respect. The power may be equivalent to bribery with some members, and it may be equal to a threat-and a very effective threat-with others, when it is suggested that some members may get the benefit and that others may be left out in the cold. There is absolutely no finality at all ; but I hold that there should be a constitutional bar which should make it ultra vires for Parliament to interfere in a matter of the kind during its own term. There is such a bar in the United States and Switzerland. The general election is the only test we have at present for ascertaining the people's views, and that is a very inaccurate test, owing to the number of issues submitted together. The referendum avoids this difficulty, and such an increase of the salaries of the people's servants as is proposed by this Bill is one of the questions to which I should like to see the referendum applied. The member for Wellington City (Mr. Fisher) asked, Why not refer all these other increases to the people ?- the increases to Civil servants, and so on. The answer is, for the simple reason that those who vote for this increase are the persons to get the benefit of the increase. We are the judges of our own cause

<page:1174>

no Judge or trustee should ever be put in, and certainly should not voluntarily put himself in. In the case of the increase of the Governor's salary, he could not assent to it ; he had to refer it to the Sovereign. I submit we should refer our own increase also to our Sovereign. Of course, our Sovereign is also the King of England; but in this case we may take it that the sovereign body for this purpose is the electors who sent us here, and I submit we should refer the matter to the electors in the same way. As to whether the Legislative Council is entitled to an increase, I do not think they are overworked, and I have not heard any honourable member suggest they are overworked ; but, of course, " Where do we come in ?" is a question they are entitled to ask ; and if it is not answered to their satisfaction the whole Bill might be stuck up, and so they are provided for. Now, I agree with the Premier in deprecating the attribution of

improper motives to members who are going to vote for this Bill. I am sorry, however, he broke his own rule by stating there are some members who will vote against the Bill in the hope that it will be passed, and that they would not vote against it unless it were for that hope. According to my own view I cannot honourably vote for the Bill as it stands, nor honourably take any benefit from the Bill as it stands ; but other members may take a different view, and I am anxious not to impute motives. In the first place, I must look to my own view of what is right to guide my own action ; and, in the second place, I must look to the reputation this House is bound to achieve in this country and outside of it if it tolerates legislation of this kind. Mr. FISHER .- The eyes of Europe are upon us. Mr. ATKINSON .- The honourable member who has interrupted me in this sarcastic way himself referred to the £40 sessional allowance of last session as "the £40 steal," and the matter is so termed in popular parlance that it has come to be stamped by this term. Now, I am not desirous that an association of that kind should become a habitual association with the transactions of this Parliament. In ancient Rome the man who took property that was not his own was called "a man of three letters," because there were three letters in "fur," the Latin for thief. Now, the title "M.H.R. " is one of three letters, and I am just as anxious as any one can be that such a regrettable and discreditable association should not permanently attach itself to this Parliament as arose in connection with that £40 vote of last year, associations that are sufficiently indicated by the phrase my colleague used. I am just as anxious as any man can be that these associations should not be deepened or made worse. I feel, with all respect to those honourable members who may honourably support the second reading, that this kind of reputation is not what we desire for our country, and we shall be fastening it upon her by the passing of this Bill for our own benefit. At the same time I agree with the Hon. the Mr. Atkinson honourable member for Wairarapa, to this extent : that, if we are to dip our hands into the public pocket, it is better that we should take the money ourselves by voting for it than that we should get somebody else to vote for it in order that we may obtain it. It is just like the boy who sends another up the tree to steal the apples, intending to escape the "hiding " if the farmer turns up, and to share the booty if he does not. If the twenty-five members who voted against the introduction of the Bill are in earnest, they will carry on their opposition to this and subsequent stages, and so, unless its operation is postponed, prevent its becoming law. I move, Sir, That this Bill be read a second time this day six months. Mr. BARCLAY (Dunedin City) .- Thinking, Sir, that the honourable gentleman who has just sat down would deliver a strong, emphatic, argumentative speech on this Bill from the notice of motion he had already given for a reduction of the amount of the honorarium. I set myself to make some notes on what he said, and I expected to have a considerable amount of pabulum, of food, for a strong and effective speech in reply. But I must say I have looked carefully down the notes I have made, and, truth to say, I am astonished at the moderation he has exercised, at the weakness he has displayed, and at the half-hearted manner in which he urged what points he had. Sir, it is easy for the honourable gentleman to dilate on the enormity of taking any more honorarium than is paid at present, for surely the honourable gentleman's lines have fallen in pleasant places. "He jests at scars who never felt a wound." Here we find him most comfortably installed in Wellington. He goes home from this House in the evening, sails out in the morning to his business, spends the greater part of the day, I trust, in lucrative employment, interviewing clients and making out, I trust, lengthy bills of costs, and he comes up at his leisure in the evening to delight us with his oratorical efforts. I must say that, indeed, it is easy for him to be virtuous. It is very cheap virtue indeed for him to say that he will not take this honorarium. I see he attends to his Court work even while Parliament is sitting. I saw he appeared in a case before Mr. Justice Conolly lately, in which, however, I fear he must have allowed his parliamentary exertions to interfere with his legal duties, because I notice that some rather severe reflections were made by the Judge as to what had been done by the plaintiff or appellant, and as to the conduct of the proceedings. As far as I saw in the paper it did not read particularly well. The honourable gentleman's objection was not very convincing, because it is

so easy for a gentleman who is living comfortably at home and carrying on his business, and getting himself well advertised by his position in this House-it is so very easy for him to say that he is too virtuous to take any increase in honorarium, forgetting all the time those who come from long distances, those whose business suffers loss by their absence, and those who are considerably out of pocket in

<page:1175>

to the best of their ability. And there are plenty of such cases in this House. It has been said that this question has not been before the country. Well, Sir, if being before the country means going before the country as a test question in a general election it may fairly be said that it has not been before the country ; but it has been before the country, as my colleague Mr. Arnold pointed out, during the recess. The question of the £40 on the estimates was discussed. It was discussed in my own constituency and on the platform by myself and my colleagues. I addressed the electors in Dunedin, and at that time I met an audience that was not particularly friendly to me. Some of the newspapers had been endeavouring to incite the people against me, and the audience I met on that occasion was not at the beginning particularly friendly or kindly. Yet in the course of my speech I told them it was stated that a Bill would be introduced to raise the honorarium to £300 a year during the next session, and that, if it was, I would support such a Bill. They responded with a prolonged round of applause, and at the conclusion of the meeting they passed a vote of thanks and confidence without a single dissident. I therefore, Sir, at all events, have a free hand in voting for this measure. "Let the galled jade wince, our withers are unwrung." It has been several times pointed out that the increase in Ministers' salaries did not go before the country as a test question ; but it was discussed by the Press and people of the colony, and the measure was passed. Now, there is little or no dissatisfaction in any part of the country with that Act. As far as I have been able to learn, the people say it was a step in the right direction, and I believe they will say exactly the same in regard to this measure. It has been said that the consideration of the Bill ought to be postponed to the next Parliament. That argument is not good. This Bill is either a right Bill or a wrong Bill. If it is right that members should get \$300, it is just as right that the present members should get it as that the future members should get it. An Hon. MEMBER .- NO. Mr. BARCLAY .- Surely you will not say that members of this Parliament have not earned it just as well as future members of Parliament will earn it. There is no escape from that position. Now, the honourable member for Wellington City (Mr. Atkinson) began his speech by a quotation from Hansard -& passage in his speech of last year on the £40 session allowance. Our memories are not so bad, nor were his remarks on that occasion so weighty or so brilliant, that he needed to refresh our recollections by dishing them up again for us. Moreover, they were not in the least in point, because the Hon. the Premier, in referring to the honourable gentleman's remark that it was better to introduce a Bill to pay the honorarium than to put a sum on the estimates, referred to an interjection made by the honourable member when the Premier was speaking this evening, that we asked them to return us- speech last year at all. What, then, was the point in revivifying the corpse of his effort of last year? One honourable member said that there was no point in the argument that it was ludicrous to pay £130,000 to the Midland Railway Company debenture-holders and at the same time to object to paying the money proposed to be voted under this Bill. Of course, the members who speak against the granting of £130,000 to the Midland Railway debenture-holders are those who think that if we pay that money we will be paying it for nothing. It is a different matter with respect to the £15,000 a year which the honourable member, Mr. Atkinson, referred to. We hope to get something in return for that payment. Now, it is curious the unanimity with which every one seems to agree that members are not sufficiently paid. The member for Palmerston said that he did not think members were paid sufficiently. The member for Wellington City (Mr. Hutcheson) said that it was simply "sweating" them to give members what they are getting now, and the member for Wellington City (Mr. Atkinson) said he did not object to the \$300 if it came into force after the next election. There seems to be a consensus of opinion, even

amongst those who oppose the Bill, that the \$300 is a fair amount, but the main objection is that it ought to come into force after next election. I may say, however, that this matter has been discussed throughout the country, and that little or nothing has reached members by way of remonstrance. Leading articles in the Press in my own district have set forth that no objection was taken to the £300, but that objection was taken to the voting of £40 on the supplementary estimates. The honourable member for Wellington City (Mr. Atkinson) and other members referred to this proposal to pay members £300 as analogous to the case of a clerk who took upon himself to raise his own wages out of his master's receipts. Sir, the comparison is utterly absurd. The following case would be on all-fours : Supposing the owner of a property puts a man in charge to manage it, and says to him, " You fix your own salary ; I have sufficient confidence in you to leave that to yourself." The manager, after a time, says, "I find this salary is not enough ; I cannot manage decently with it." Well, he would have to fix his salary at a higher sum ; and that is what we have to do, unfortunately. There is no one else to raise our salary but ourselves. The public as a whole cannot do so. There is no use having any false delicacy about that. The only question is, Is it a proper sum or is it not? Does any honourable member mean to say that the next Parliament will be worth £300 whilst this is only worth £240, or vice versa ? That argument will not hold water for an instant. I do not think it is necessary to say very much more. The honourable member for Wellington City said that we " begged for our billets" here, that we went about beseeching people to send us to Par-

<page:1176>

Well, certainly, the honourable member for Wellington City (Mr. Atkinson) may have done that to be sent here; he may have begged and prayed for a billet ; he may have gone on his knees to all and sundry in his anxiety and eagerness; he may have adopted every kind of extraordinary device to secure the seat he now occupies in this Chamber. I did nothing of the kind. I was asked to stand for election to this House and to come here. I begged from no one and I prayed to no one to send me here. The first request, or hint, or word, as far as I know, that ever passed on the subject of my standing for election to this House was a request to me from a deputation of certain persons to become a candidate for the city I have the honour to represent. I did nothing myself in the way of begging or asking any one to vote for me. They did it for me without asking, and were glad to do it. I think I have said sufficient now to explain my attitude in regard to this Bill. I can only say, so far as the honour of this House is concerned, or my own, I am as jealous and as careful of it as the honourable member for Wellington City, inside or outside the House or in the Court, and I can only say I have no hesitation in voting for and supporting the Bill now before the House. Mr. MILLAR (Dunedin City) .- I would just like to say a word or two in connection with this Bill before it goes to a vote. I may say, so far as the Bill is concerned, I fully support its principle. I believe that members of the House are not paid sufficiently, and I have publicly stated that on several occasions. But the trouble with me at the present time, and what prevents me from supporting the Bill, is that I fully and honestly believe that the financial position of the colony is not strong enough to stand the increased cost. I know that feeling is not shared by a majority of my fellow-members, and they may be right and I may be wrong; but I cannot see my way to support the Bill, although on the platform I approved of it, and although last year in Dunedin I announced I intended to support it as I supported the £40 bonus last year. I answered to my constituents for that, as I would be prepared to answer to my constituents if I voted for this Bill. If I were convinced that the financial position of the colony was sound enough to stand it I would support the Bill, but I cannot see my way to do so. Mr. A. L. D. FRASER (Napier) .- I have very few words to say, and possibly would not have spoken at all had it not been for the remarks of the member for Dunedin City (Mr. Millar). When speaking on the Financial Statement he endeavoured to discredit the financial position of this colony, yet for years he has been demonstrating to his constituents and the colony that our finances were unquestionably sound. It was only at the last moment that it dawned upon him-no doubt after a heavy supper and nightmare-that the colony is now a

financial wreck. I listened to the honourable gentleman when speaking on the Mr. Barclay for him ; but I heard also the subsequent speeches, and finally the speech of the Right Hon. the Premier, and, weighing them and realising the inconsistency of some of the speakers, I came to the conclusion that the member for Dunedin City had not analysed our finances as an expert. Again, he tells us to-night that the only reason he is going to vote against the increase of members' salaries is that our finances are not in a condition that would justify him making a draw upon them. I say, reviewing our finances, so far as I am able to with my limited mental calibre, and taking the evidence of those who speak with authority, I have come to the conclusion that our finances are capable of such a demand; still I am not going to vote for the second reading of the Bill, not, however, for the reason that he has given. I recognise that our finances are in a sound position, and I have not acquired this view only from members of Parliament, but from gentlemen in the mercantile world of the colony and writers of experience in Australia and in England. As an illustration, let me mention the president of the Canterbury Chamber of Commerce. Within the last two months, when addressing that body at their annual meeting, during a very comprehensive dissertation upon the condition of the colony, he said, "The colony is prosperous, and very prosperous." My reason for voting against this Bill is that I look at it from a common-sense, every-day, business point of view. I speak as a New-Zealander, and realise that we have been, during the last year, under an exceptional, extraordinary, and abnormal expense, unprecedented, not expected, and, I hope, not recurrent. Now, speaking for the colony, and simply as a business-man, Is this the hour to increase your servant's salary ? I say it is not. It is not that we are financially weak, but we have had an unexpected "facer." if I can use the word, and are threatened with a substantial call for the debenture-holders of the Midland Railway - something that was unexpected in the way of expenditure-and it is not the time to increase the salaries of our servants. and we are the servants of the colony. For this reason I shall oppose the second reading of the Bill, though there is no member who is a stronger believer in a sufficient recompense being paid for the services of the servants of the colony and members of Parliament. Members of the House should not be paid at all or they should be paid sufficient remuneration for their services. There is a danger if we do not pay them at all, because we shall only have two classes in the House-the wealthy man, perfectly honest and straightforward, but in ninety-nine cases out of a hundred he looks through only one pair of glasses-namely, the interest of his own particular class; on the other hand, you would have the impecunious, distrustful professional politician who would come to the House with the sole object of making what he could. In both cases the result would be injurious to the colony. Leaving this for a moment, I regret the grounds of objection which have been raised

<page:1177>

members for Wellington City. I think, if I may say so, with every respect, those honourable gentlemen would have displayed better taste if they had kept silent, because if there are any gentlemen who do derive special benefit from being members they are the gentlemen who have the privilege and honour of representing Wellington and living in Wellington. I say it comes with the very worst taste from those honourable gentlemen, because they have their homes and professions here, and professional gentlemen living in Wellington have a great advantage that other members have not. It is notorious that every one is losing by the four or five months they spend here, but the members who live in Wellington are not doing so ; in fact, it is enhancing and adding to their business. Again I express my regret, therefore, that they should have taken part in the debate. However, it has been forced on me that the member for Wellington City (Mr. Atkinson) has discovered that he has made a great mistake. This is the first time I have known him to back down, and when he does back down one can be certain that he realises that everything in the garden is not too lovely. The honourable gentleman moved to strike out the word "three " and to insert "two," and why has he said he would withdraw that amendment ? An Hon. MEMBER .- It will come in Committee. Mr. A. L. D. FRASER .- The honourable member said he would

withdraw it. Now, why is he going to withdraw it ? Mr. PIRANI .- Because the member for Lyttelton gave notice of it first. Mr. A. L. D. FRASER .- That is not the reason the member for Wellington City gave. The honourable gentleman knows if he moved that amendment it would be carried ; and I warn the two honourable members for Wellington City opposite not to be surprised if it is carried before the Bill is through the House, because if the honourable gentleman withdraws the amendment I intend to move it myself, and to add that it should apply to the members for Wellington City only, and I prophesy that it will be carried by the House. Mr. ATKINSON .- Rather rough on Mr. Fisher. Mr. A. L. D. FRASER .- Well, I think Mr. Fisher will live through it. Now, there is another view of the honorarium question that no one seems to have touched upon, and it is this: It is entirely forgotten that there are certain honourable members who, outside the honorarium, have a very good innings indeed every year. I refer to the paper proprietors. Has it dawned on you, Sir, and on the House, that we have opponents to any increase in the honorarium who, as the returns show, receive a substantial amount every year in addition to their £240? Now, if we are appointed upon a Commission, even an important Commission like the Federation Commission, or the Teachers' Salaries Commission, we are allowed the munificent sum of £1 per day. We cannot who have newspapers have their hundreds. Mr. PIRANI .- What about the lawyers ? Mr. A. L. D. FRASER .- The honourable member is entirely wrong. The lawyers cannot take a fee from the Government. If the honourable member will bring to his mind the case of the Midland Railway and Sir Robert Stout he will admit I am correct. Surely the honourable member, even with his lengthy experience in Parliament and his general information on matters, must now admit he has made a mistake. Mr. PIRANI .- What did his partner get ? Mr. A. L. D. FRASER .- That is a question I know nothing about. The member for Wellington City (Mr. Atkinson) will bear me out that a member of Parliament cannot take a retainer, with attendant fees, from the Government. Mr. ATKINSON .- That is so; but who is the Government Advances to Settlers solicitor in Auckland ? Mr. A. L. D. FRASER .- I do not know or care ; I am dealing with the general question. I cannot go into a matter that the honourable member knows something about and that I know nothing about. However, the honourable member will support me in saying that a member of the House cannot give services to the Government and receive payment for them. I know this from personal experience. Now, I ask honourable members to look at the matter from a common-sense point of view, and to look at it through other persons' eyes besides their own, and they will see that there are honourable members in the House who are reaping direct benefits from the colony apart from their salary or honorarium, and entirely owing to the fact of their being members of the House. For this reason alone I suggest that they should be the last to attack the proposals contained in this Bill. An Hon. MEMBER .- Put Wairarapa and Palmerston on the list. Mr. A. L. D. FRASER .- I do not know anything about that, but there is the fact. That should not be overlooked when we are discussing this question. Mr. PIRANI .- It is not a fact. Mr. A. L. D. FRASER .- I am speaking generally, and I hope members will point out where I am wrong, and I will be very glad to accept their explanation. I do not think the member for Palmerston credits me with making personal references. Mr. PIRANI .- I do not think it, for I know it. Mr. A. L. D. FRASER .- I may say, if the member for Palmerston knows I am doing so, it is more than I am aware of. I do not wish to discuss the matter further than that. I have given as briefly as I possibly can why I am going to vote against this Bill. I entirely support the increase of members' salaries, but I do not support it this year, and I shall certainly oppose it coming into force after the next election, for this reason: that I object to gentlemen who may then be members having

<page:1178>

want. That is a logical reason why we should not dictate to those gentlemen who may be in this Chamber after the next election what honorarium they should have. I should say we should vote for this Bill or vote against it on the straight-out issue, and not that it should come into force after, possibly, we are politically dead. Briefly, I would say this : I do not think for one moment I am inconsistent in the stand I take. I stated

at a public meeting in June last that I was strongly in favour of an increase- that a substantial sum should be paid to honour- able members, and that I should support it. Since then we have incurred exceptional and abnormal expenses, and, to my mind, this is not the time when we should increase our own salaries as servants of the colony, and for this reason I shall vote against the Bill. Mr. PIRANI (Palmerston). - I would not have risen again to speak had it not been that the interjections so frequently made by the member for Wallace have been accentuated by the member for Napier, Mr. A. L. D. Fraser, these interjections having reference to the fact that, as a newspaper-proprietor, some of the Govern- ment advertising came to newspapers belonging to members of the House. Well, last year the amount paid for the newspaper in which I then had a third share amounted to £115. So far as the Government advertising is concerned, it is almost entirely railway advertising-adver- tising that must be done, and it amounts to something like 2 per cent. of the income of the paper, so there is no wonder that the paper is prosperous when it has that enormous advan- tage from the Government advertising. Mr. GILFEDDER .- Two or three years ago. Mr. PIRANI .- Two or three years ago the Government paid more than they pay now. An Hon. MEMBER .- They did not pay so much. Mr. PIRANI .- Yes; the average is less now than it was then. But I must say that the Government have been very fair in the distribu- tion of the advertising, and our paper has a very much larger circulation than my opponent, and my opponent gets something like £30 more a year than I do. Mr. SEDDON .- You are both Opposition. Mr. PIRANI .- Yes; we are both opposed to the Government. I have never complained as to distribution of favours, and I think that, taking it altogether, the amount is fairly ap- portioned. There is another point in connec- tion with it, and it is this: that a man is a very poor specimen if he is going to support or oppose the Government because of the amount of money he gets in his business from the coffers of the State. An Hon. MEMBER .- No one suggested that. Mr. PIRANI .- No other suggestion can apply, or where does the argument come in ? An Hon. MEMBER .- You are not supporting it. Mr. PIRANI .- No; but the honourable member wants to insinuate that I am not sup- porting the Bill because I get money in another way. If the argument applies to me it applies Mr. A. L. D. Fraser Mr. Hornsby ; to the member for Wairau, the Hon. Mr. Mills ; to the member for Taieri, Mr. Carncross; and to the member for Riccarton, Mr. G. W. Russell. Now, the honourable member did not point out, as I think he ought to have done, that the legal profession represented in the House share largely in the Government expenditure, and I think it is a matter which requires the attention of Go- vernment. If the Government had a member of the legal profession wholly in the Govern- ment pay to do the Government work in each centre the work would be done better, more economically, and more satisfactorily to the people. I can say with a clear conscience that anything I have had from the Government has been well earned. The House divided on the question, "That the word ' now' stand part of the question." AYES, 31. Allen, E. G. Palmer Heke Arnold Parata Hogg Houston Seddon Barclay Kaihau Carncross Stevens Carroll Laurenson Steward Colvin Lawry Symes Fisher McGowan Ward. Mckenzie, R. Flatman Gilfedder McNab Tellers. Hall Mills Hornsby Hall-Jones O'Meara Napier. NOES, 25. Buddo Smith, G. J. Lang Collins Massey Tanner Mackenzie, T. Thompson, R. Ell Thomson, J. W. Fowlds Meredith Fraser, A. L. D. Monk Willis. Pirani Graham Tellers. Hardy Rhodes Herries Russell, G. W. Atkinson Russell, W. R. Lethbridge. Hutcheson PAIRS. For. Against. Duncan Fraser, W. Allen, J. Hanan Bollard McLachlan Millar Morrison Pere Bennet Smith, E. M. McGuire. Majority for, 6. Amendment negatived. On the question, That the Bill be read s second time, Mr. SEDDON (Premier) said,-I do not intend to detain the House very long, but there are some remarks which have been made during the debate which I think should be replied to. First of all, an attempt was made by the mem- ber for Palmerston to place me in a false posi- tion. I scarcely think that those remarks were worthy of the occasion or of the honourable gentleman. I did say that probably there would be members who, when voting against the Bill, their spirits would be in one lobby while their votes and bodies would be in the other.

Mr. SEDDON .- Yes; in their hearts they desired and hoped the Bill would be carried, and I am pretty well sure that I was not far wrong when I heard you, Sir, announce the figures- thirty - one votes for and twenty - five votes against the second reading. Some of those who voted with the twenty-five were delighted at there being a majority the other way, and looked much more pleased than those who formed the majority. I also complained, and I think I have reason to complain, of this question of the trip in the "Tutanekai" being brought up, as the honourable member said, for the restoration of my health, although I do not know why that should be repeated from time to time with the view of hurting my feelings and creating unpleasantness. My health was certainly broken down; and what had caused that? And in whose interest had the sacrifice been made? The sacrifice had been made in the interests of the colony; and, Sir, I do not know that even the member for Palmerston would say that he would begrudge something in the way of endeavouring to restore to me that greatest of blessings, good health. I desire emphatically to protest against what has been said in the House and what has appeared in the public Press of the colony, to the effect that there was an arrangement made that if the members voted for the amendment of the Public Revenues Act the special allowance would be brought down. I say it is absolutely without foundation. It is a gross fabrication to say that there was an arrangement respecting members and the sessional allowance conditional upon the Public Revenues Bill being passed. I say it is a shame and a scandal that that should be brought up on the floor of the House; and I say it is bordering on a gross violation of our Standing Orders, because it is casting a reflection upon members of the House. It is tantamount to saying that the members voted for that measure simply because there was something to come to them. I hope we have heard the last of that. There was no connection whatever between the two things. I also say that it was in the interests of the public credit of this colony, and, had it not been for that law, on two occasions this country would have been in a very peculiar position. I say it is necessary to have that law, and no Colonial Treasurer would be safe on these benches without that law. It has been a law since 1870, and it is necessary to continue it whoever occupies these benches. The insinuation that the Act we passed last session was passed conditional on an allowance being paid to members is an unmerited reflection on them, and not worthy of the members who thus traduce their fellow-members. They do an injustice to Parliament, because they are lowering the tone of Parliament; and if members who did that studied their own self-respect they would see that in endeavouring to drag down their fellow-members they were going downhill themselves. Another member stated that this was not the right time to raise the salaries of members, to raise money. Sir, I emphatically deny that. I cannot understand how some members of the House seem to desire to traduce our credit and financial position. I say we are not at our wits' end to raise money. Members will see by the returns I gave to-day that we have been able to devote half a million of money out of our revenues to public works. We have £113,000 in seven months in excess of our last year's revenue, and, so far as I can see, the outlook is brighter than it was two months ago. Sir, it is simply nonsensical to say that a country like this is at its wits' end to raise money. Then, I come to the position again, as to the proper time to pass this Bill. When did we pass the Bill, and in what month, by which £240 was fixed as the salary for the payment of members? I hold in my hand Hansard, and I find the debate took place on the 4th October in the year 1892, exactly a month off the time we are now dealing with this Bill, and in the middle session of the Parliament, as this session is. Now, Sir, the members who voted against that Bill used arguments exactly the same as we have heard to-night, and what was the result? Some thirty-two members voted for the Bill and twenty-eight voted against it. What has happened to those who voted against it? Why, Sir, of the total of that twenty-eight there are only five members in the House at the present time, and of the thirty-two members there are still twelve in the House. I say that relatively those who voted for that measure have survived; and I may say, further, of the thirty-two who voted for it five have been called to the Council, and are still in Parliament. In speaking on the second reading of this Bill I find we have Sir George Grey, who was an authority on

parliamentary and constitutional proceedings, and he heartily supported the Bill. He did not raise the question of the inopportune time, and say we ought to pass it so as to take effect in the next Parliament. On the contrary, he practically combated that contention, and I say he is your best possible guide. I do not think, under these circumstances, the question as to when the Bill shall come into force will hold water for a moment. The honourable member for Christchurch City (Mr. Collins) said we were limited to three years, at £240. Mr. COLLINS .- No; I said, I was. Mr. SEDDON .- That may be the construction the honourable gentleman placed on it. But, while he may apply it to himself, he should not apply it to others or deny their right of action. I would say to any member who was of the opinion that the finances of the colony could not bear the strain, let him refrain from weakening the finances of the colony and leave the money in the Treasury. If the member for Christchurch City considers he is bound to receive not more than £240, let him refrain from taking any more out of the Treasury. I, as Colonial Treasurer, will be pleased, as it will help to swell my surplus, and certainly, on that ground alone, I shall respect the honourable gentleman's conscientious action.

<page:1180>

him. Mr. SEDDON .- No. But I do not much care about honourable gentlemen who wish to advertise their merits, like the member for Wellington City (Mr. Atkinson). He drew the £40, and then wrote a letter saying he returned it as conscience-money. But he made a mistake ; people who are conscience-stricken return the money without giving their names, and it is advertised in the Gazette. But he gave his name in returning it, and so I could not advertise him as having given back to the State conscience-money, which he should never have taken if he believed it to be wrong. Why did the honourable gentleman take it out of the Treasury at all ? The same thing applies to Mr. Hutcheson. There was nothing to force them to do so. If it remains in the Treasury it forms a part of the Public Account, although the honourable member (Mr. Hutcheson) thinks it goes into a separate account and that I could not use it. To any member who has any form of conscience at all I would say, Do not touch any money that you do not think you are entitled to, and I will not quarrel with you ; but, for Goodness' sake, do not take the money and then advertise yourself. Do not take the receipt and read it out to the House, to show to the world, through Hansard, how meritorious you have been. That is not required for some of those gentleman; they would be equally well respected, and there is no necessity to advertise it by the one taking a receipt, and the other sending a letter returning the conscience-money, Now I come to the remarks of the honourable member for Hawke's Bay. The honourable member wished to know were those in Parliament to have their election expenses paid and thus enable them to fight some one else. No; we have not contended that ; but I contend this, as shown in the remarks made by Sir Maurice O'Rorke, the Speaker : The salary is attached to the office. After a person attains to that office he is put to considerable expense to maintain it, and the sum should be sufficient to enable it to be maintained with credit to the member and honour to the Parliament and country. I cannot understand why the honourable member uses that argument in the sense he did. Then, the honourable member fixes on what I consider a basis which is incomplete, and will not hold water for a moment. He said we should fix a limit-a minimum, sufficient to maintain the member holding the position -- that is, the lowest possible amount that a member could live upon. I understood the honourable member to say £200 a year. Well, that is a moral impossibility. Captain RUSSELL .- Do you not remember the time when you only got £100? Mr. SEDDON .- I remember the time when great sacrifices had to be made ; but I remember also the time when we received £400 for four months. That occurred on two occasions. I found at that time that some of the gentlemen who are now telling us that £200 is sufficient drew their double honoraria and never said a word. Mr. SEDDON .- No; they "never turned a hair," or returned a pound. I do not like to go into the wretched past, but I could tell the House about some speculation as between the £200 and the £150. Wagers were made, and one or two members were anxious when they saw a majority in one lobby, and, to show that they were not voting in a

matter in which they were financially interested, they voted the other way. That, however, is past, and we must draw a veil over it. To-day some members vote one way, and in their hearts wish the other way carried. There does not seem to me to be much change. Then, Sir, there is this point I wish to draw attention to : We mentioned the Payment of Members Bill in the Address to the Throne. That was read on the first day of the session. Now, there is the member for Wellington City (Mr. Atkinson) and one or two others who cannot be equalled in the colony for promoting petitions. Has there been a single petition against the Bill since the announcement in the Governor's Speech? Has there been a single protest from the people of the colony since that announcement ? Has there been any real opposition to it from the Press ? No. The general verdict was that it was right to do that; and if it had been done last session it would have been much better than taking the sessional allowance ; and among those I understood to favour the position was the honourable member for Wellington City (Mr. Atkinson). Then, I come to the honourable member for Dunedin City (Mr. Millar■. His reasons for voting against the Bill are the most peculiar, I think, of any that have been given. He said his reason for voting against the Bill was that he believed the financial position of the colony was unable to bear the extra strain of £6,000 a year. Sir, could absurdity go further ? Notwithstanding the extraordinary strain on our revenue this year- the extraordinary call made upon it- we shall have a surplus of over a quarter of a millia. it is almost assured, from the returns now to hand. Then, for a member to stand up and say he will vote against the Bill because it will put £6,000 extra on the expenditure and the strain will be hard to bear ; and that is too much to say to the world ! Why do not men think before they use arguments of this kind? It will go abroad that the finances of the colony were such that £6,000 additional, which the Payment of Members Bill would entail, was opposed, and on that ground. I do hope. If members are sincerely opposed to a Bill of the kind, they will oppose it on better grounds than that. I do not think there is anything further I need refer to. The Bill, in my opinion, will meet with general approval as far as the people of the colony are concerned. My opinion is that, if members are diligent, attentive to the duties, pass good laws, careful as to our administration, see that the credit of our colony is maintained, and that there is hope for our people, then this £6,000 will be generally supported by the people of the country. Now.

<page:1181>

members of the House in the same position as the servants of the House is far-fetched indeed. It is no argument at all. We are the controllers and the persons in charge of the purse, and, that being the case, we have from time to time increased the salaries of our servants; but our servants cannot increase their own salaries, and it is the people who trust us to see that we should arrange the finances and pay for the cost of administration. To say there are others who are performing services for the colony, and they are insufficiently remunerated, and that, although we have the power to increase that remuneration, we are not to do anything as regards ourselves without consulting our constituents, is to use an argument which I must characterize as the height of absurdity. My contention is that for the time being, and from Parliament to Parliament, it has the inherent power, and we do it, we take the responsibility, we submit ourselves to the people, and the people are our judges. But to go, cap in hand, and stand on the public platform and say, " If I am returned to Parliament I shall ask you to allow me an increase upon the present salary I receive"- why, if I was an elector to-morrow, and a man stood before me and asked me to agree to that position, I would say, "Nothing of the kind ; you are not fit to go into Parliament." I should say that, " as far as your services to the colony are concerned, yours is the responsibility: You must respect and uphold the position, and you must go into Parliament untrammelled." I believe most of the members of the House are untrammelled. I say they can vote for this amount and place this Bill on the statute-book, and when they go to their constituents their constituents will say they have done what is perfectly reasonable and right. I move, Sir, the second reading of the Bill. The House divided. AYES, 30. Allen, E. G. Hogg Napier Arnold Hornsby Parata Houston Seddon Carncross Kaihau Carroll Stevens Laurenson

Steward Colvin Fisher Lawry Symes Ward. McGowan Flatman Mckenzie, R. Tellers. Gilfedder Barclay Hall McNab Hall-Jones Mills Palmer. Heke NOES, 25. Smith, G. J. Atkinson Lang Lethbridge Buddo Tanner Thompson, R. Collins Massey Mackenzie, T. Thomson, J. W. EU Meredith Fowlds Willis. Fraser, A. L. D. Monk Tellers. Rhodes Graham Russell, G. W. Hutcheson Hardy Russell, W. R. Pirani. Herries PAIRS. For. Against. Fraser, W. Duncan Allen, J. Hanan Morrison Millar Pere Bennet Smith, E. M. McGuire. Majority for, 5. Bill read a second time. IN COMMITTEE. Clause 1 .- "The Short Title of this Act is 'The Payment of Members Act, 1901,' and it shall come into force on the first day of January, in the year one thousand nine hundred and two." Mr. SEDDON (Premier) moved to strike out all the words after " 1901." The ACTING-CHAIRMAN ruled the amend- ment out of order, as it would mean an increase in the appropriations, and could only be intro- duced by Governor's message. Mr. LAURENSEN (Lyttelton) moved, That the word " two " be struck out, with a view to inserting the word " three." The Committee divided on the question, "That the word be retained." AYES, 31. Hall.Jones Allen, E. G. O'Meara Heke Palmer Arnold Carncross Hornsby Parata Carroll Houston Seddon Colvin Kaihau Stevens Fisher Lawry Symes Ward. Flatman McGowan Fraser, A. L. D. Mckenzie, R. Gilfedder Tellers. McNab Barclay Mills Guinness Hogg. Hall Napier NOES, 25. Smith, G. J. Atkinson Laurenson Buddo Lethbridge Tanner Collins Thompson, R. Massey Mackenzie, T. Ell Thomson, J. W. Fowlds Meredith Willis. Graham Monk Rhodes Tellers. Hardy Russell, G. W. Hutcheson Herries Russell, W. R. Pirani. Lang PAIRS. For. Against. Fraser, W. Duncan Allen, J. Hanan McLachlan Bollard Morrison Millar Bennet Pere McGuire. Smith, E. M. Majority for, 6. Word retained. Mr. FISHER (Wellington City) moved, That progress be reported, in order to obtain the ruling of the Speaker on the decision of the Acting-Chairman in reference to the amend- ment moved by Mr. Seddon. The Committee divided. AYES, 31. Allen, E. G. Flatman Carncross Fraser, A. L. D. Arnold Carroll Colvin Gilfedder Barclay

<page:1182>

Hall-Jones Mckenzie, R. Stevens McNab Symes Heke Mills Tanner. Hogg Napier Hornsby Tellers. Houston O'Meara Parata Fisher Kaihau Russell, G. W. Lawry Seddon NOES, 22. Russell, W. R. Laurenson Buddo Thompson, R. Collins Lethbridge Thomson, J. W. Ell Massey Mackenzie, T. Willis. Graham Meredith Hardy Tellers. Herries Monk Palmer Hutcheson Atkinson Pirani. Lang Rhodes PAIRS. For. Against. Duncan Fraser, W. Allen, J. Hanan McLachlan Bollard Millar Morrison Pere Bennet Smith, E. M. McGuire. Majority for, 9. Motion to report progress agreed to. Progress reported. The ACTING-CHAIRMAN had to report to the Deputy-Speaker that a resolution had been come to by the Committee that the ruling of the Deputy-Speaker be taken upon a point raised by the honourable member for Palmers- ton. In the Payment of Members Bill the Short Title read as follows: "The Short Title of this Act is ' The Payment of Members Act, 1901,' and it shall come into force on the first day of January, in the year one thousand nine hundred and two." The attention of the Pre- mier, who was in charge of the Bill, was called to the fact that at a previous stage he had intimated his intention to alter the wording so as to bring the payment into force from the time of the passing of the Act, and the right honourable gentleman moved to excise all the words after "1901." The question was then raised as to whether, seeing that this would increase the appropriations, the amend- ment could be made without a message from His Excellency the Governor. He (the Chair- man) held that the amendment could not be made. Exception was taken to that ruling, and by a majority of the House he was directed to take the opinion of Mr. Deputy-Speaker upon the point. Mr. DEPUTY-SPEAKER said the question submitted to him was, he thought, open to some little doubt ; but, in the short time at his disposal to consider the point, he had been forced to the conclusion that the ruling of the Chairman was incorrect. The increase in the appropriations proposed by the Bill must be consented to by the Crown, and that consent may be given by the Minister or by a Governor's He understood from the Chairman message. of Committees that the Right Hon. the Premier, the Minister in charge of the Bill, proposed an amendment which would have the effect of -

amendment by the Premier was ruled out of order, because the Chairman of Committees decided that it would have the effect of increasing the appropriations. After the clause was finally passed in Committee, it would have again to come under review of the House before the House finally passed the Bill a third time. If it was then reported that the consent of the Crown had not been given to the clause, then the consent of the Crown could be given, either by a message from the Crown or by the Minister on behalf of the Crown, before the third reading. He therefore declared that it was in the power of the Committee to alter the clause in such a way as it thought fit. He declared the House again in Committee on the Bill. # IN COMMITTEE. Mr. SEDDON (Premier) moved to strike out all the words after " 1901." Progress reported. The ACTING-CHAIRMAN. - I have been asked to request you to resume the chair, to make more explicit your ruling as to whether the Bill could proceed with this alteration in it to its third reading, without any message from the Governor at all. You were understood to rule that the alteration might be made in Committee on the motion of the Minister, but that if it was found to increase the appropriations a Governor's message would be required before the third reading. Mr. SEDDON (Premier) .- May I put a question to the Chair? The position is this: I proposed to strike out the words "and it shall come into force on the first day of January. in the year one thousand nine hundred and two," leaving it then simply open, with the usual Short Title that this Act is " The Payment of Members Act, 1901." If those words are struck out, do you rule that before the third reading there must be a Governor's message to enable us either to restore those words or strike them out ? Mr. DEPUTY-SPEAKER .- I gave my ruling in view of two positions. One is, if the clause were so altered in Committee as to have the effect of increasing the appropriations, or if it was found as originally brought down to be an appropriation clause, then the consent of the Crown could be given by a Minister ; if that consent were not given it would be necessary to bring down a Governor's message before the third reading. The authority on which I base that ruling is found on page 3 of the " Notes of Procedure in Committee of the Whole in the House of Representatives, 1900": "Consent of Crown to motions to bring in Bills involving public expenditure, and to amendments to such Bills, is given by the Minister." That is a quotation from May, page 423. Mr. SEDDON .- Well, Sir, I give the consent, and there is an end to it. Mr. PIRANI .- I would like to direct your attention to the quotation from May, because if you will look at page 423 of May you will see this :-

<page:1183>

Crown to either House of Parliament is in the nature of a verbal message, delivered by command, by a Minister of the Crown to the House of which he is a member." But that only applies when a member of either House is arrested for any crime at the suit of the Crown. Mr. DEPUTY - SPEAKER .- The Minister has the confidence of the Governor, and he has full power. Mr. PIRANI .- We are to understand that this message is delivered by command of His Excellency ? Mr. DEPUTY-SPEAKER .- I presume the Premier would do nothing without the consent of His Excellency. # IN COMMITTEE. Clause 1 under consideration. The Committee divided on the question, "That all the words proposed to be omitted stand part of the clause." AYES, 21. Russell, W. R. Atkinson Laurensen Buddo Smith, G. J. Lethbridge Massey Tanner Collins Mackenzie, T. Willis. EII Meredith Graham Tellers. Hardy Monk Herries Hutcheson Russell, G. W. Pirani. Lang NOES, 29. Napier Allen, E. G. Hall-Jones Heke Arnold O'Meara Carncross Hornsby Parata Carroll Houston Seddon Kaihau Colvin Stevens Fisher Lawry Symes McGowan Flatman Ward. McKenzie, R. Tellers. Giffedder Barclay McNab Guinness Hall Mills Hogg. PAIRS. For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan Fraser, W. Duncan McGuire Smith, E. M. Millar. Morrison. Majority against, 8. Words struck out, and clause as amended agreed to. Clause 2. - "(1.) Every member of the General Assembly shall be entitled to receive payment in relation to his attendance in the discharge of his parliamentary duties at the rate of two hundred pounds per annum if a member of the Legislative Council, and three hundred pounds per annum if a member of the House of Representatives. "(2.) This section is in substitution for the first paragraph of section four of ' The Payment of Members Act,

1892,' which paragraph is hereby accordingly repealed." section (1), to strike out the words "two hundred," with the view of inserting " one hundred and fifty." The Committee divided on the question, "That the words proposed to be omitted stand part of the question." AYES, 28. Hall-Jones Allen, E. G. Napier Arnold Heke Palmer Parata Barclay Hogg Carncross Hornsby Stevens Carroll Houston Symes Colvin Kaihau Ward. Fisher Lawry Flatman McGowan Tellers. Guinness Mckenzie, R. Gilfedder Hall McNab. Mills NOES, 25. Russell, W. R. Atkinson Lang Buddo Smith, G. J. Laurenson Lethbridge Collins Tanner Thompson, R. Ell Massey Fowlds Mackenzie, T. Willis. Fraser, A. L. D. Meredith Graham Tellers. O'Meara Hardy Hutcheson Rhodes Herries Russell, G. W. Pirani. PAIRS. For. Against. Fraser, W. Duncan Allen, J. Hanan McLachlan Bollard Millar Morrison Bennet Pere Smith, E. M. McGuire. Majority for, 3. Words retained. Mr. PIRANI (Palmerston) moved, That the words "three hundred " be struck out, with the view of inserting " two hundred and forty." The Committee divided on the question, "That the words proposed to be omitted stand part of the question." # AYES, 28. Hall-Jones Allen, E. G. Napier Palmer Arnold Heke Parata Hogg Barclay Seddon Hornsby Carncross Carroll Houston Stevens Kaihau Ward. Colvin Fisher Lawry Tellers. McGowan Flatman Gilfedder Guinness Mckenzie, R. McNab. Hall Mills NOES, 25. Russell, W. R. Lang Atkinson Buddo Smith, G. J. Laurenson Tanner Lethbridge Collins Thompson, R. Ell Massey Mackenzie, T. Willis. Fowlds Fraser, A. L. D. Meredith Tellers. O'Meara Graham Hutcheson Hardy Rhodes Russell, G. W. Pirani. Herries

<page:1184>

For. Against. Fraser, W. Duncan Hanan Allen, J. Bollard McLachlan Millar Morrison Bennet Pere Smith, E. M. McGuire. Majority for, 3. Amendment negatived. Mr. HORNSBY (Wairarapa) moved the following proviso : - "Provided that every member of the present Parliament who desires to obtain payment of the increase in honorarium shall make application in the form prescribed by the Schedule attached to this Act, and it shall not be lawful for any increased payment to be made under this Act unless such application be first made. # "SCHEDULE. "To the Treasury. "I, A. B., do hereby apply that the increase in the honorarium provided for in 'The Payment of Members Act, 1901,' be paid to me during the existence of the present Parliament, and in accordance with the terms of the said Act. (Signature). " Date : " Witness : Mr. SEDDON (Premier) moved to insert, after the words "Provided that," the words "any member of the House who shall in writing intimate to the Paymaster-General that he desires during the currency of the present Parliament to receive only the sum of two hundred and forty pounds per annum if a member of the House of Representatives, or one hundred and fifty pounds per annum if a member of the Legislative Council, as provided by 'The Payment of Members Act, 1892,' shall be paid accordingly." Mr. G. W. RUSSELL (Riccarton) moved, "That the Chairman leave the chair." The Committee divided. AYES, 23. Rhodes Hutcheson Atkinson Russell, W. R. Buddo Lang Smith, G. J. Collins Laurenson Ell Lethbridge Tanner Fowlds Massey Willis. Mackenzie, T. Tellers. Graham Pirani Meredith Hardy Russell, G. W. Herries O'Meara NOES 29. Hall-Jones Allen, E. G. Napier Heke Arnold Palmer Hornsby Parata Barclay Seddon Houston Carncross Kaihau Carroll Stevens Colvin Lawry Symes Ward. McGowan Fisher Mckenzie, R. Tellers. Gilfedder Flatman McNab Guinness Mills Hall Hogg. For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan Fraser, W. Duncan McGuire Smith, E. M. Morrison Millar Russell, W. R. Hogg. Majority against, 6. Motion negatived. Mr. HUTCHESON (Wellington City) moved to report progress. The Committee divided. AYES, 17. Pirani Atkinson Laurenson Buddo Lethbridge Rhodes Collins Massey Russell, G. W. Meredith Graham Tellers. Herries Ell Monk Hutcheson O'Meara Lang. NOES, 28. Allen, E. G. Hornsby Parata Houston Smith, G. J. Barclay Kaihau Carncross Stevens Carroll Lawry Steward Colvin McGowan Symes Fisher Mckenzie, R. Ward. McNab Gilfedder Hall Mills Tellers. Hall-Jones Napier Arnold Flatman. Palmer Heke PAIRS. For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan Fraser, W. Duncan Mackenzie, T. Seddon McGuire Smith, E. M. Millar Morrison Russell, W. R. Hogg. Majority against, 11. Motion negatived. Mr. PIRANI (Palmerston) moved, That the

Chairman do leave the chair. The Committee divided. AYES, 19. O'Meara Atkinson Herries Buddo Rhodes Lang Collins Laurenson Russell, G. W. Lethbridge Ell Fowlds Massey Tellers. Meredith Graham Hutcheson Monk Hardy Pirani. NOES, 26. Arnold Palmer Heke Parata Hornsby Barclay Houston Carncross Stevens Carroll Kaihau Steward Colvin Lawry Symes Fisher McGowan Ward. McKenzie, R. Flatman Tellers. - Allen, E. G. McNab Hall Mills Napier. Hall-Jones

<page:1185>

For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan Fraser, W. Duncan Mackenzie, T. Seddon McGuire Smith, E. M. Morrison Millar Russell, W. R. Hogg. Majority against, 7. Motion negatived. The Committee divided on the question, " That the words, ' Provided that' stand part of the proviso." AYES, 36. O'Meara Allen, E. G. Hall-Jones Arnold Palmer Heke Parata Houston Atkinson Pirani Hutcheson Barclay Rhodes Buddo Kaihau Laurenson Russell, G. W. Carncross Lawry Carroll Stevens Lethbridge Collins Symes Ward. McKenzie, R. Colvin Ell Meredith Tellers. Gilfedder Flatman Mills Graham Napier Hornsby. Hall NOES, 10. McNab Fowlds Tellers. Hardy Monk Herries Smith, G. J. Massey. Lang Steward. McGowan PAIRS. For. Against. Duncan Fraser, W. Hanan Allen, J. Russell, W. R. Hogg McLachlan Bollard Morrison Millar Bennet Pere Mackenzie, T. Seddon Smith, E. M. McGuire. Majority for, 26. Words retained. The Committee divided on the question, "That the words of Mr. Hornsby's amendment be inserted." AYES, 19. O'Meara Atkinson Lang Rhodes Laurenson Buddo Lethbridge Russell, G. W. Collins Massey Ell McNab Tellers. Fowlds Meredith Hutcheson Graham Hardy Pirani. Monk NOES, 28. Allen, E. G. Gilfedder Hornsby Guinness Houston Arnold Hall Kaihau Carroll Hall-Jones Lawry Colvin Heke McGowan Fisher Herries McKenzie, R. Flatman VOL. OXIX .- 74. Napier Stevens Barclay Palmer Symes Carncross. Parata Ward. PAIRS. For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan Fraser, W. Duncan Mackenzie, T. Seddon McGuire Smith, E. M. Millar Morrison Russell, W. R. Hogg. . Majority against, 9. Amendment negatived. Mr. HERRIES (Bay of Plenty) moved, in Mr. Seddon's amendment, to strike out the words " any member of the." The Committee divided on the question, " That the words proposed to be omitted stand part of the question." AYES, 27. Allen, E. G. Hornsby O'Meara Arnold Houston Parata Kaihau Barclay Seddon Carncross Laurenson Stevens Colvin Lawry Symes Ward. Flatman McGowan McKenzie, R. Guinness Tellers. Fisher Mills Hall Hall-Jones Napier Gilfedder. Heke NOES, 18. Atkinson Pirani Lang Rhodes Lethbridge Buddo McNab Russell, G. W. Collins Ell Meredith Tellers. Herries Monk Graham Palmer Hardy Massey. Hutcheson PAIRS. For. Against. Fraser, W. Duncan Allen, J. Hanan Hogg Russell, W. R. Bollard McLachlan Morrison Millar Bennet Pere Smith, E. M. McGuire. Majority for, 9. Amendment negatived. Mr. G. W. RUSSELL (Riccarton) moved, in Mr. Seddon's amendment, to strike out the words " House of Representatives," with a view of inserting the words " General Assembly." The Committee divided on the question, "That the words 'House of Representatives ' be retained." AYES, 8. Tellers. Gilfedder McNab Guinness Palmer Hall Herries. Hall-Jones Tanner. NOES, 36. Buddo Carroll Atkinson Collins Carncross Barclay

<page:1186>

Smith, G. J. Duncan Massey McGowan Stevens McKenzie, R. Fisher Symes Meredith Thomson, J. W. Flatman Mills Ward Fowlds Parata Willis. Graham Tellers. Pirani Hardy Rhodes Hornsby Houston Russell, W. R. Russell, G. W. Hutcheson Lawry Majority against, 28. Words struck out. Mr. MASSEY moved to report progress. The Committee divided. AYES, 26. Herries Russell, G. W. Atkinson Russell, W. R. Buddo Lang Collins Smith, G. J. Laurenson Lethbridge Tanner Ell Thomson, J. W. McNab Fowlds Fraser, A. L. D. Meredith Willis. Monk Fraser, W. Tellers. Graham Pirani Hutcheson Hardy Rhodes Massey. NOES, 28. McKenzie, R. Allen, E. G. Gilfedder Mills Arnold Guinness Palmer Hall Barclay Hall-Jones Carncross Parata Heke Carroll Stevens Ward. Hornsby Colvin Houston Duncan Kaihau Field Tellers. Fisher Lawry Hogg Flatman Symes. McGowan PAIRS. For. Against. Allen, J. Hanan Pere Bennet McLachlan Bollard Mackenzie, T. Seddon Smith, E. M. McGuire Millar Morrison Thompson, R. Napier.

Majority against, 2. Motion negatived. The Committee divided on the question, "That the words ' General Assembly ' be in- serted." AYES, 21. Hall-Jones Allen, E. G. O'Meara Barclay Hogg Stevens Hornsby Symes Carncross Collins Houston Ward. McGowan Duncan Tellers. Mackenzie, T. Atkinson Flatman Fowlds Mills Hutcheson. Hall NOES, 27. Allen, J. Fraser, W. Lang Buddo Graham Lethbridge Field Hardy Massey Fisher Heke McNab Fraser, A. L. D. Herries Meredith Pirani Steward Tellers. Rhodes Tanner Ell Russell, G. W. Thomson, J. W. Laurensen. Russell, W. R. PAIRS. For. Against. Morrison Millar Bollard McLachlan Thompson, R. Napier Bennet Pere Smith, E. M. McGuire. Majority against, 6. Words not inserted. Mr. HUTCHESON (Wellington City) moved to insert the words "Legislative Council." The Committee divided. AYES, 6. Tellers. Allen, J. Lethbridge Atkinson Collins Pirani. Hutchoson. NOES, 52. 1 Allen, E. G. Hall-Jones Monk Hardy O'Meara Arnold Palmer Heke Barclay Buddo Herries Parata Hogg Rhodes Carncross Russell, G. W. Carroll Hornsby Russell, W. R. Colvin Houston Duncan Kaihau Seddon Ell Lang Stevens Field Laurensen Steward Fisher Lawry Symes Thomson, J. W. Flatman Massey Fowlds McGowan Ward Fraser, A. L. D. Mackenzie, T. Willis. Fraser, W. Mckenzie, R. Gilfedder Tellers. McNab Smith, G. J. Meredith Graham Hall Tanner. Mills Majority against, 46. Words not inserted. Mr. HUTCHESON moved to insert the words "Police Force," and, subsequently, the word " Ministry." The ACTING-CHAIRMAN ruled that the words were irrelevant to the Bill, and were not in accord with the dignity of the House. Mr. HERRIES (Bay of Plenty) moved to strike out all the remaining words of the proviso after " who shall." The Committee divided on the question. "That the words proposed to be omitted stand part of the question." AYES, 21. Allen, E. G. Seddon Lawry McGowan Carncross Stevens Ward Mackenzie, T. Duncan Witheford. Mills Flatman Tellers. Hall-Jones O'Meara Parata Barclay Hogg Pirani Houston Hornsby. Kaihau

<page:1187>

Allen, J. Hardy Rhodes Russell, W. R. Arnold Heke Atkinson Hutcheson Smith, G. J. Buddo Lang Steward Collins Laurensen Symes Colvin Lethbridge Tanner Ell Massey Thompson, R. Field Willis. Mckenzie, R. Fisher McNab Tellers. Fraser, A. L. D. Meredith Herries Russell, G. W. Fraser, W. Monk Graham Majority against, 12. Amendment agreed to, and proviso struck out. Mr. T. MACKENZIE (Waihemo) moved the following new clause :- "Subsection one of section five of ' The Pay- ment of Members Act, 1892,' is hereby amended by the insertion of the word 'ten ' in lieu of the word 'five' where the same occurs in the said subsection." Mr. SEDDON (Premier) moved to strike out " ten " and insert " fourteen." Amendment agreed to, and new clause as amended agreed to. Mr. ATKINSON (Wellington City) moved the following new clause :- "Notwithstanding anything in this Act con- tained, any member of the House of Represen- tatives may elect to take payment at the rate provided by 'The Payment of Members Act, 1892,' in lieu of the payment mentioned in sec- tion two of this Act ; and any member failing so to elect shall be ineligible for re-election to the House of Representatives or for appoint- ment to the Legislative Council for a period of three years from the passing of this Act." New clause negatived. Mr. COLLINS (Christchurch City) moved the following new clause :- "This Act shall not come into operation until the thirty-first day of December, one thousand nine hundred and two." The Committee divided. AYES, 27. Atkinson Russell, W. R. Lethbridge Buddo Smith, G. J. Massey Mackenzie, T. Tanner Ell Meredith Fraser, W. Thompson, R. Thomson, J. W. Graham Monk Willis. O'Meara Hardy Herries Pirani Tellers. Hornsby Rhodes Collins Russell, G. W. Laurensen. Hutcheson Lang NOES, 29. Palmer Allen, E. G. Guinness Arnold Hall-Jones Parata Carncross Heke Seddon Carroll Hogg Stevens Colvin Houston Symes Duncan Kaihau Ward Field Witheford. Lawry Fisher McGowan Tellers. Mckenzie, R. Barclay Flatman Fraser, A. L. D. Mills McNab. For. Against. Allen, J. Hanan Bennet Pere Bollard McLachlan McGuire Smith, E. M. Millar. Morrison. Majority against, 2. Amendment negatived. Bill reported, and read a third time. The House adjourned at ten minutes past eight o'clock p.m. (Tuesday).