

LEGISLATIVE COUNCIL. Friday, 16th August, 1901. First Reading-Shops and Offices Bill. The Hon. the SPEAKER took the chair at half-past two o'clock. PRAYERS. FIRST READING. Presbyterian Church of New Zealand Bill. SHOPS AND OFFICES BILL. ADJOURNED DEBATE. The Hon. Mr. RIGG .- Sir, I confess that I was not affected to the extent that I might have been by the fervent appeal of the Hon. Mr. Shrimski last evening in regard to the welfare of the poor people of the colony, for the reason that I have heard the same story before, and very frequently since I entered this Council. I might point out for the information of the honourable gentleman that that cry was raised over half a century ago against the factory legislation introduced in England, and it has done duty ever since for the opponents of all labour measures. If the poor people of New Zealand required a champion in a matter of this sort, I would be one to come forward to champion their cause, for the reason that I was once a poor man myself, and, as I may probably be in that position again some day, I speak with a full sense of responsibility when I say that it is better that these poor people should be working for those who are capable of paying them a fair wage than that they should be engaged in a competition which is not only disastrous to themselves, but also to others. If there are poor people who cannot engage in fair competition, either in trade or in the labour-market, then I say it is the duty of the State to find them employment, or to give them charitable aid. That is the way to deal with poor people, and I am one of those who are always willing to do what they can to bring that about. What surprised me most in the course of this debate was the remarkable speech delivered by the Hon. Mr. Jennings. I could hardly believe that I was listening to the speech of one who has been regarded as a representative of labour in this Chamber. From the heat that characterized it, the speech seemed to me to be rather that of one bitterly opposed to labour legislation of any kind. I know that is not so, because the honourable gentleman has supported labour legislation in the past, more or less. But I intend to dwell for a few minutes on some of the statements warned the Council that it must give the most serious consideration to this measure, and he indicated that if any one would move in

the direction of throwing the Bill out he would vote with him. But surely the honourable gentleman must be aware that this is the second time this Bill has been before the Council. It has been before it three times, but not perhaps in the same form as it is at present. Last year the Bill was much more stringent in its provisions than it is now, and in that more stringent form it passed through the Council. As regards the Bill we are now considering, in the Labour Bills Committee an endeavour has been made to meet every reasonable objection on the part of employers throughout the colony. And yet in the face of that we are told we must give the most serious consideration to the measure. And why? Because there is going to be a revulsion of feeling. Now, who is going to reveal—may I be permitted to say, who is going to "revulsh" ? Is it the workers who are affected by the Bill, and who are going to be benefited by having their hours shortened and by payment for overtime ? Surely it is not the employers, because they must then become in favour of the Bill, as they have hitherto always been against legislation of this kind, although, as I shall show later on, it has been for their benefit in some cases, which they have acknowledged. But when this revulsion of feeling takes place, then something is going to happen. I want to know what it is. The ominous tones of the Hon. Mr. Jennings would lead one to believe that it is going to be something fearful. Well, I am one of those who cannot be frightened by a bogey. If there is a danger to be faced I want to know what it is, and so I say, let this terrible thing come on, whatever it is. The bigger it is the better, for the simple reason that, as Josh Billings says, "You can dodge an elephant, but you can't dodge a flea." Let it come on, and we will meet it in the same spirit, I hope, that we have met objections of that kind in the past. Then, the honourable gentleman proceeded to say, in a most dramatic way, that he would sooner retire from political life than force down the throats of the people what they do not want. I am afraid the honourable gentleman said rather more than he intended. The Hon. Mr. JENNINGS .- No, he did not. The Hon. Mr. RIGG .- Then, I should say his time in this Council will be exceedingly limited. There is no law passed in any Parliament which is not against the desire and wish of some person

class of persons, and it follows as a matter of course that you must, in order to benefit those you desire to benefit, force unsatisfactory legislation upon another class of the community. So that we see his dramatic statement when it is analysed does not amount to very much. Let us take, for instance, people who live in unhealthy premises surrounded by insanitary conditions. They have low rents to pay, and so they are quite prepared to live on under those conditions. They do not want to be interfered

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which gives the right of interference to certain officers appointed, and those people are forced to live cleanly and to have their dwellings improved. Then, we have a compulsory law dealing with the attendance of children at school. The children do not want to go to school, and their parents are indifferent ; but the law says that the parents must send these children to school ; and so in that case, too, we are forcing legislation down the throats of people who do not want it. And so I might point out instances to reduce the argument to an absurdity : for instance, that the punishment provided for every crime is objected to by the persons who are likely to receive the punishment. For my part, I say this : that when I can no longer fight for the interests of the working-people of this country I will retire from Parliament. But that is not likely to happen. Now, Sir, we are asked why should legislation be forced upon the bank clerks, who say, by their petition, that they do not want it. Well, the reason is that it is for the good of the community it should be passed. Long hours and overwork tend to degenerate the race, and we have a perfect right to say to any class of the community, " If you are injuring your health, and endangering the physique of the race, by working long hours and overtime, you shall not do it." And it is on that ground, the ground of the general good, that we take our stand in advocating measures of this kind. Now, why should long hours be worked in any establishment ? Either the number of hands employed is insufficient, or the persons employed are incompetent. It may be that in some cases there is not sufficient accommodation supplied, but that shows simply a want of enterprise upon the part of the firm or institution, as the case may be ; because long hours mean greater expense in many directions, and therefore it is not true economy. If it is not true economy, then it is false economy. False economy I regard as a phase of bad management. There is nothing to justify the employment of incompetent hands. There are plenty of men able and willing to do work in any class of employment. Very often the desire for cheap labour overcomes the prudence of a manager, and he takes cheap labour and indifferent work and long hours in preference to less hours, more effective work, and fair wages. Now, something was said about the number of petitions that have been brought forward, signed by persons opposed to this Bill. Well, let us take a sample one. Here is the petition of A. H. Chappell and a hundred other employés in retailers' shops in Auckland, praying the Council to eliminate from the Shops and Offices Bill the clauses dealing with shops. Now, what does that mean? It means that these persons want the existing law to be repealed, and that they desire to be deprived of the weekly half holiday they have enjoyed for some years past. Does any one believe that the employees who signed that petition knew what they were signing. or, if they did, that they were in earnest ? That, Sir, was a petition which was presented Hon. Mr. Rigg not responsible for what it contains, but, still, he cites the petitions presented as an argument for opposing the provisions of the Bill. The Hon. Mr. JENNINGS .- I never cited that petition at all. The Hon. Mr. RIGG .- No; you did not mention any particular petition, but you referred to the number of petitions. The Hon. Mr. Jenkinson showed pretty clearly there was a considerable amount of ignorance with regard to the Bill on the part of those members who have spoken in opposition to it. He rightly said that the Bill was a

consolidation Bill, and that the greater portion of it is already existing law ; that there is very little departure as regards any extension contained in the Bill, but the main feature of it is that the machinery which was provided to carry out the existing law has been found defective, and this Bill renders it more perfect and effective. There is no part of the machinery under the existing law which has proved so defective as that relating to banks and offices. And who is responsible for the introduction of that principle into the Act? That did not come as part of the Liberal policy of the Government. It was not introduced by any Liberal representative in Parliament. It was introduced by the Hon. Mr. Ormond. An Hon. MEMBER .- What is it ? The Hon. Mr. RIGG .- The provision relating to the closing of offices at certain hours. Now, I do not think there are many members of the Council who would not receive a law coming from a gentleman like the Hon. Mr. Ormond with respect, and if the machinery to carry out that law is defective, that they would hesitate to provide the proper machinery in order to carry out what was the intention of the honourable gentleman and of the Legislature. A new principle of some importance in the Bill is the one providing that shops shall be closed on four days a week at six o'clock. Now, that came into the Bill owing to the large number of communications received from employers and trading associations throughout the colony, and from evidence given by employers before the Labour Bills Committee. It was a well-meant attempt on the part of the Committee to meet the wishes of the employers, and that has been referred to, and it has been opposed ; and it has been said by the Hon. Mr. Jennings that the question should be made one to which the principle of local option should be applied. Well, I do not suppose that we would have had a weekly half-holiday now if the question had been left to local option. It was found necessary, then, that the State should make it compulsory ; and therefore I am quite sure that, viewed in the light of experience, it will be found necessary to make this daily closing at six o'clock also compulsory. As regards the warehouses and their exemption from the Bill by the Labour Bills Committee, I do not at all agree with it. I was under the impression until recently that there was very little overtime worked in the wholesale houses, but I have been very much undeceived. Since this Bill has been before the Labour Bills Committee-

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number of warehouses, all within a short distance of each other in Wellington, lighted from basement to ceiling in the evening. I am informed that this goes on nearly all the year round. Well, then, there is just as much reason why the hours of labour should be curtailed in wholesale warehouses as they should be curtailed in the shops. Now, I want to draw attention to a somewhat important point, and that is this: that the opposition to this measure is the result of organization on the part of the employers; and I venture to say that you will see the same opposition from the same people against other labour measures that will come before Parliament during this session. I regard it as an attack upon the Labour policy of the Government, and I feel sure that if they do happen to succeed-which they will not-the attack will then be directed to another part of the policy of the Government, with a view to ultimately overturning the Liberal and Labour party. This organization has been brought about to some extent by the operations of another Act which we passed, for the employers are better organized now than they have ever been in New Zealand. The same thing may be said of the workers. But the knowledge of their new-born power and strength is not compensated for by the experience which would enable them to use it wisely. At the present time they are like a boy who has got a loaded pistol in his hand for the first time, and he wants to go out and shoot something. Well, it may be, perhaps, an old weapon, and when, through want of experience, he fires it off it bursts. And so I think, in regard to this organization of employers that has taken place, and the way it is being used, the employers are making a very great mistake. It would be better for them to meet the organizations of employees in a more conciliatory spirit, and endeavour to bring about a mutual understanding in regard to matters affecting them. I have found in my experience, and have always said so, that where you get good organizations of employers and good organizations of workers you will have fewer labour disputes and less difficulty in adjusting any difference of opinion that

may arise. But here is what I cannot allow to pass without expressing my feeling in regard to it: that a certain section of the Press is doing its best to stir up the employers throughout the country, and it is endeavouring to find arguments for them against labour legislation of any description. I do not say that is so of the Press generally, but it is true of a section that we have in this colony-a section of the Press that will grovel to any " fat man " who is in a position to give it advertisements, and therefore they place before the welfare of the people the profits which they expect to receive. And so we are told there has been too much labour legislation in the past. Now, I would ask honourable gentlemen to consider what new labour legislation has been passed since 1894. There has been the Workers' Compensation for Accidents Act. The other Acts have already in existence ; and yet we are told that there is far too much labour legislation, and that it is being ridden to death. Well, I say, without hesitation, there is no proof that such is the case, and that the labour legislation of recent years has been more a matter of soleing and heeling, and patching up and making perfect. And what has been the result of all this labour legislation ? Can any one point to an employer who has been injured by the operation of the Shops and Shop-assistants Act? Sir, it has been to the benefit of the employer, who enjoys his half holiday as much as his employés do. His business is compressed within narrower limits, and there is greater economy ; and I have no hesitation in saying that if the six-o'clock hour of closing is adopted it will help him to regulate his business better, and will also be to his advantage, and that before many years are over he will recognise the benefit, as he has done in the case of the weekly half-holiday. And, then, with regard to the revulsion of feeling we are warned against : We know that in all parties and all organizations there are certain weak-kneed people. In fact, some people have such a natural weakness in their knees that they cannot walk without wobbling, and so we must expect that those who are weak in resolution or wanting in moral courage will fall away from the ranks of any organization where opposition is met with. Well, I say let it be so. It is not the tree that possesses the greatest number of limbs that bears the greatest quantity of fruit, and the pruning-knife is beneficially applied to any fruit-tree in a judicious way; so that I consider that the cutting of a certain number down will tend to make the remainder more vigorous and more determined. It has been so in all reform movements, and I believe it will be so Therefore I would say to those in the future. responsible for the introduction of the labour policy be not discouraged by an agitation got up in the way I have stated, and backed up by a section of the Press. Let it come, and we will meet it when it comes with a reasonable and philosophic mind and with determination. We have to consider that in legislating on the lines we have been doing for some time past that we are legislating not for to-day, nor for to-morrow, nor for the day after, but for the future; and if that legislation is, as I believe it to be, in the direction of uplifting the people of the country and making them more prosperous and more happy, then we should continue in that light. Then, not only shall we make this a happy and prosperous country, but we shall set an example which older countries will follow to their very great advantage. The Hon. Mr. TWOMEY .- Next to the man who thoroughly agrees with me I admire the whole-hearted unrelenting thorough man. Of course, the man who agrees with me is always, in my estimation, wiser than any one else, but the next man is the thorough man, and in the Hon. Mr. Rigg I have found him. It was refreshing, after the speeches delivered by other honourable gentlemen who have an equal claim to re-

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present labour as he has, to find him standing here insisting on legislation being shoved down the throats of unwilling people. That is the position. He has pointed out to us that other Acts have worked in this direction, and he instanced the Education Act. He said the Education Act had been shoved down the throats of parents who did not wish their I can see no analogy - children to go to school. at all between the two Acts, for the reason that the education of the children of the State is for the purpose of elevating the citizens of the State, and making them better citizens and better men and women. Now, there is no analogy between that and bank clerks, who come in the proportion of 90 per cent. and say, " We don't

want any holiday ; we want no interfer- ence such as you are offering. Let us alone ; we don't want it." Very well. I was under the impression that they did want it ; but if they, as my honourable friend Mr. Pinkerton pointed out the other evening, have not the pluck and manliness to come here and say they want it, let them do without it. That is com- mon-sense, and it is neither common-sense nor good practice to try to make them accept that which they do not want. Now, of course, there have been petitions read ; but I have got here a private letter-I will not give the name-from a banker friend of mine. This is what he says,- " As the petitions point out, they would be denied holidays with pay, and other privileges which are much valued. Still, there is some- thing that should and could be done for bank officials if the House is sincere in its efforts to benefit them. The work at the half-yearly balance periods is always trying, and it could be very much lightened by allowing the banks to close for one day-the day after balance-day. If this were done, and two of the present holi- days were cancelled to make up for it, bank officers would thoroughly appreciate the relief it would give. It would mean they could get rid of the urgent work on the day after balance- day, instead of working late for many nights. The night-work also would be reduced by about half, and would not be felt tiresome or injurious as it is at present. No greater boon could be conferred on bank officials, and if you could carry it into effect you would earn lasting gratitude." I do not think that much need be said about the bankers. I think that part of the Bill is as dead as Julius Cæsar ; consequently, I will not speak of it any further ; but I will ask, Where did this originate? Who promoted the in- clusion of bank clerks in this Bill? We have had labour legislation, and we knew where it originated. We knew that it originated in the fact that there was " sweating " in this country. But here is a measure introduced and no one can say where it originated. An Hon. MEMBER. - Read Mr. Tregear's evidence. The Hon. Mr. TWOMEY. - I have the greatest respect for Mr. Tregear. I think he is a very efficient officer, and he is doing good work, but I think that he need not listen to every tale he is told and try to reduce it to Hon. Mr. Twomey legislation. But this is the point: here is legislation brought before us which evidently nobody wants. And the effect of it is this : it is creating irritation. I look upon the position as rather serious. We find that on one side a party has been organized, and that it is a strong organization, and we see that there is another party organizing now, and it will be an unfortunate affair if there is a serious conflict between those two parties. If there is, the colony will suffer. Bringing forward such legislation as this is Let bank creating distrust and irritation. officers come here and say that they want this I am as legislation and I shall vote for it. ready to vote in favour of bank clerks as any- body else ; but if they do not want this pro- vision why should you interfere with them ? Then, we come to another cause, and that is. with reference to wholesale warehouses. They say they do not want it. How did this originate ? Nobody seems to know. I have received letters from these people, and they say they do not want it. I went into a shop to buy some little thing, and I will tell honour- able members what actually happened. Some of the shopmen came up to me and asked me to oppose this point of the Bill, which, they said, would be detrimental to them. They referred, of course, to the payment for overtime. They say they get a week's holiday every year, and that they appreciate it, because they get all the time at once, so that they can go away and enjoy themselves. They also get sick- pay, and if they wanted a day off for any purpose they get it and are paid for it. But, they say, if overtime has to be paid for, every one of these benefits will be stopped, and they will be bound to the letter of the law ; and therefore they do not want payment. for overtime. Now, these men may be en- gaged by a good employer, and, of course, there may be other employers who are not so con- siderate towards their employés; it may be they are "sweating " their employés. Well, let us have evidence of it, and if there is evidence of it we should legislate to prevent people being crushed. Certainly, if I get evidence of it I will vote for redressing any grievance of the kind. But if the true state of affairs is. that the employers treat their employés well, and in such a way that the employés do not want any interference on their behalf, why should we interfere? Then, something was said about the clamour that was got up when the Shop Hours Bill was first introduced ; but, Sir, I think there was no clamour at all,

and I do not think there was ever an Act of Parliament passed that had a more widespread public support than that measure. Hon. MEMBERS .- Oh, no. The Hon. Mr. TWOMEY. - Yes, it is so ; and for this reason : In Dunedin, Christchurch, and all over they were holding the half-holiday before the Act was passed at all. In the face of that fact, what did the Government do but give legislative effect to a custom that already existed ? It may be the holiday was not observed in Wellington. What I am stating is a fact as

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to what occurred down South. It occurred in my own town. Therefore I say that legislation under those circumstances was different from the present case. A man might keep his shop open and thus gain an advantage over his fellow-men, and to prevent that it was necessary to give legislative effect to the holiday. I say, then, that if it is shown to me that there is " sweating," or any wrong-doing, I will do what I can to put a stop to it; but when people we are supposed to be benefiting come to us and say they do not want our help, I say, " Very well, we will not ask you to have it." Sir, I consider the best speech made in this discussion was that of the Hon. Mr. Bolt. He referred to clause 25, in which it is provided that an employer should keep an overtime-book when he works his employés at night. An Hon. MEMBER .- What is the good of it ? The Hon. Mr. TWOMEY .- The good of it is this : that if that book is kept and is subjected to inspection the employer will take care that there is nothing wrong to report about him, because he will say to himself, " If it appears in this book that I am overworking my men, and that I am keeping too long hours, the Inspector will report and Parliament will pass a law to prevent my doing so." That will be the effect. Now, the very fact of seeing this ahead of him will cause him to be more careful with regard to his employés. I think that book would be a sufficient check for the time being - together with the other checks that are already passed into law. Of course, we are told that this has been placed before us as a consolidation measure. Well, there is a good deal of consolidation in it, but we see a good many black lines in it, and the black lines are always attached to new matter, and it is the new matter that is objected to. As regards the sneer at my honourable friend Mr. Jennings about his resigning, there are two threatened resignations already in connection with this subject. Now, I am not going to be rash, but when I see people being dragged here from Invercargill and from Auckland to give evidence against things that people do not ask for, and never wanted, I ask myself, how can I, who have always supported labour measures, now oppose this ? and how can I see these people brought every day from all parts of the colony to give evidence upon these matters ? It makes a man feel as if he would wish to retire rather than have the annoyance of seeing these things. If there is anything wrong, there is no man living would be more willing to right it than I. I shall support the motion that the Bill go into Committee, but I shall certainly support the Committee in the amendments they have made, and I shall consider seriously whether there are not further amendments to be made. I shall support clause 25, for making the employer keep an overtime - book. I think that is the best provision in it. I certainly cannot support the bank clerks being included, nor can I support warehousemen -- An Hon. MEMBER. - Will you support Government clerks ? VOL. CXVII .- 28. The Hon. Mr. TWOMEY .- I shall give serious consideration to any arguments the honourable gentleman may bring forward in favour of that, and I shall deliver as fair and honest a judgment upon them as I am capable of. That is all I can promise the honourable gentleman just now. I am sorry to have to say it, because there are few men who have a greater admiration for the present Government than I have, but I would suggest to them to be more careful, and not to irritate or annoy or provoke too serious an opposition-not that they need fear it ; but we know that a conflict between factions such as I have already hinted at would result disastrously, and have serious effects on the colony. We know that one firm has already cleared out of the colony, owing, they say, to the labour legislation. If that goes on, I would ask, who will suffer ? They will lose something by leaving, no doubt ; but what about their employés ? What will happen to them ? They will be thrown out on the world ; and I

do not mind indulging in a bit of prophecy, if this is carried too far. I say they will be thrown out on the world, and will then come to the employers offering to work for less wages, and these Acts will break down under their own weight, and the final result will be serious to the workers themselves. I say the Conciliation and Arbitration Act is one of the finest Acts ever put on the statute-book, and I would work tooth and nail to keep it there ; but if the employers are to be harassed as they are at present the day will come when that Act will be wiped out. I am giving this warning, for what I now say may be heard outside this Chamber. The employés are working that Act to death. I myself have had no reason to complain about it, although I have got to understand it. I think we have now a Judge who will be the greatest friend of labour that New Zealand has ever seen. The way in which he will befriend labour will be in the direction of repressing the wantonness of labour. He has exercised his powers judicially so far, I think, and I only hope that, for the sake of the labourers themselves, he will discourage their unnecessarily using this Act. If he does that, and keeps them reasonable, that Act will live, and it will become a blessing to labour ; but if ever they go so far as to break down that Act, then I do not know what will happen, but the result must be very serious indeed for labour. Once it is broken down, it is broken down for ever. Honourable gentlemen will, I hope, pardon me for digressing from the subject-matter of the Bill before this Council, but I think that it is well that these subjects should be taken into consideration seriously, and that every one who has influence with labour unions should warn them to be more careful as to how they proceed. The Hon. Mr. SCOTLAND .- After all that has been said on this subject I find that there is very little left for me to say. I am afraid that I cannot go the length of the Hon. Mr. Twomey's charity and vote for the further progress of the Bill ; at the same time, I have not made up my mind which way I shall vote.

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Days ago, before this Bill came here, I said to myself, when I considered the number of petitions pouring in against it, that Bill is doomed. It will have to go the way of other Bills that have been brought before this Council, not only by this Government, but by previous Governments also, which were not called for, and which were not for the good of the colony generally or any single section of the community. Sir, I know that Bills have from time to time been introduced into this Council by Governments for a particular reason. We who are "in the know" -to use a sporting phrase- are perfectly well aware what that reason was, but the people of the country as a whole were not aware of it. I really think that it is far from wise for any Government to bring a Bill into this Chamber, well knowing beforehand that it certainly will not pass, that it was not wanted, and could only come to an untimely end. According to the old saying "Familiarity breeds contempt." and I do not think it is right to accustom the generality of people in the country to point to the ignominious failure of any Bill sent to the Council by the Government, and to see posted in the public Press another defeat of the Government over some ridiculous Bill or other -teaching grandmothers to suck eggs or something of that kind. Well, I do not think that any Government, however strong it may be, or appears to be, is able to endure these repeated shocks. Individually they may seem very small, very trivial, but it seems to me that if too often repeated these things must tend to bring a Government into contempt, and to lessen its influence in the country. It is dangerous playing with fire, according to another old saying; and I may say, with all due respect, that I think the Government ought to be very careful what measures it brings before either branch of the Legislature. It should not bring forward Bills with a jaunty air and just put them down, saying, practically, "Do what you like with them." Any honourable gentleman who represents the Government may make an eloquent speech, a very pretty piece of special pleading, trying to make the best of a bad cause, but I think it is risky. I cannot at all agree with what the Hon. Mr. Rigg said just now in criticizing the Hon. Mr. Jennings's speech. To me the Hon. Mr. Jennings spoke nothing but common-sense. Neither do I think the Hon. Mr. Rigg is justified in even hinting an aspersion upon any member of this Council, who does not think as he does on this Bill, as not answering to the description of a true Liberal. For my own part, if I may speak of myself, I am not a party

man. I do not think that under any circumstances I could become a party man. I have been many years in this Council now, and I can take my conscience to witness that I have never opposed any Bill from factious motives ; never because it was brought in by this or that Government, or by this or that individual. I have always taken the Bills solely upon their merits, and therefore I am sure the honourable gentleman cannot with justice call me a bad Hon. Mr. Scotland Liberal because I vote against this Bill. Sir, the Hon. Mr. Jennings and all the other honourable members who have spoken against this Bill have, in my opinion, spoken nothing but what is true, and according to common-sense. We see that the Bill is not wanted. It has never been asked for ; and why, therefore, should they have obnoxious legislation thrust upon them any more than any other section of the community ? What will be the result of this mischievous Bill, as I call it, if it were passed ? Why, it may even be the means of creating an estrangement between employers and employed. It may put bad thoughts into the heads of some young clerks. They might begin to think there was really something in this suggestion that they were, after all, not the well-treated people they thought themselves to be, but that they were very ill-used and overworked. The generality of the persons affected by this Bill, however, are men of superior intelligence, many of them very highly educated men, and therefore they are not perhaps likely to be influenced by the professional agitator, as some other people are in the colony. The working-men as a rule, I think it will be admitted, are not highly educated. There are many highly intelligent working-men, I know, but those are just the men who would treat with contempt the professional agitator, hired at so much a day. It is a very good thing for the country there are such intelligent men among the working class, who are not likely to be influenced by pernicious advice. I do not think I have anything more to say. With regard to conciliation and arbitration, of course there is nothing bearing upon that in the Bill ; but still, as the subject has been touched upon by other speakers, I think I am entitled to say a few words. I do think we are now approaching a very critical time in the history of industrial pursuits in this country, and of industrial disputes too. I say it is a very critical time, and it is not yet possible to see the end and the result of this feeling of unrest which is prevailing throughout the colony just now. How it will end no one can say. It may end with a terrible collapse that very few may be able at present to take the measure of. Sir, I think that our whole system of conciliation and arbitration has been very ill-judged, and I am afraid it will come to grief. I have often regretted that something like the French system has not been adopted in this country instead of that which we have. I cannot see, for my part-although I am not engaged in industrial pursuits myself-why it should not succeed in this country, except that we are not French, and we will pursue our own methods, which are not always of the wisest. The system in France is so very simple. The Conseil des Prudhommes, consisting of so many employers on the one side and so many operatives on the other, meet together men who thoroughly understand the business from each point of view, and men not above listening patiently to the arguments of the other side, and having the question discussed from both points of view-

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and their agreements are wise agreements, because they answer the purpose for which the Conseil meets-that is, of conciliation. That I should like to see adopted in New Zealand, but I fear, for the reason I have already given, that we are not Frenchmen, we should therefore set our faces against it. But if this arbitration and conciliation system of ours should break down, I do hope that something will be tried as nearly as possible in the same direction as the French system. The Hon. Mr. JENNINGS .- I wish to make a personal explanation, Sir, in reference to some remarks made by the Hon. Mr. Rigg. I think that gentleman misunderstood me - he certainly has misquoted me. I never said anything at all about a revulsion of feeling, or that I was afraid of a revulsion of feeling. Those who know me best in Otago and in Auckland will tell you that I have stood in the front rank in regard to public questions, when not popular, when many who are now enjoying a great share of the loaves and fishes stood under cover and were in

the background. Now, Sir, I wish that my honourable friend, who certainly talks cleverly, and who frequently succeeds in getting his opponents into "chancery," was endowed with binocular power of vision, so that he could see correctly on this question. He, unfortunately, looks at these labour questions from one point of view. What I have stood up for in this Council-not to-day, but four and five years ago - was that mutuality should be cultivated between the employer and the employé. I do not think that the only link to exist between master and workman should be merely that of wages. An attempt was made to crush me for holding those opinions, but I am #cc-zero still here, and I venture to say that I stand fairly well in the good opinion of the community of New Zealand. The Hon. Mr. McLEAN .- It has been said, Sir, that we passed a much stronger Bill than this last session, and therefore why should not we pass this. We live and learn. We are all being educated, Sir, and we now see dangers ahead which perhaps we did not see last year. Now, Sir, take my honourable friend the Hon. Mr. Rigg, and I would say, as a warning to him, that he must look at this question from other sides than the side of labour only, because the circumstances that he ignores are conducive to the interests of labour. I venture to say that if the honourable gentleman were to succeed in getting his way in regard to the making of laws in a very short time half the industries of this colony would be shut up, and we would have people walking about the streets with no work to do, and we should have to find employment for them, whereas they should have been hard at work on good pay, and earning good livings for themselves and families. It is this Council that has to take into consideration the interests of labour, the interests of the country settlers, and the interests of the industries of this colony, and endeavour to weld them together so that every one shall be as happy as we can make them. Sir, that honourable gentleman finds fault with the Hon. Mr. Jennings, but who is the man who is held in respect by the employers and the employees? And you must so weld employers and employed together that all their interests shall be in common, and the good you do shall be distributed equally on both sides ; and, forsooth, it is said with regard to those who try to mould these labour Bills to be fair to the people of the colony, and to bring prosperity on the colony, that they are the enemies of labour. Sir, I ask you to take any one of those men who employ labour largely, and see their actions in regard to that labour, and then say whether they have not the interests of the workers at heart quite as much as those who harangue in the open street. Well, Mr. Jennings has done good work in the City of Auckland, and he did good work for the workers in Dunedin before he went there, and his efforts to bring about a better feeling between employer and employé deserves encouragement instead of jeers. Now, Sir, the honourable gentleman talked about revulsion of feeling. I say there is no necessity to have a revulsion of feeling ; but does he think for a moment that the country settlers are going to sit quietly and see the prices being raised on everything they require, while they can get nothing that they require done ? There are no eight hours a day for those settlers and their families. The London market rules the price of their produce, and they can only give a certain amount of wages to raise that produce for export. Sir, the result of all this labour legislation will be that things will be brought to a standstill if the farmers are not able to find labour at fair rates in order to enable them to raise their crops. Therefore, Sir, it is useless to say that the farmers, who are now rising to a sense of their importance, have no great interest in these matters. Sir, I can tell of a case that has been mentioned to me in regard to the labour legislation of last year which may surprise some honourable members. Last year we passed the Workers' Compensation for Accidents Act. Now, we hear of the case of a farmer with eighty acres of land, who put a man who came pleading for a job at work on a hedge, but instead of slashing the hedge he slashed his legs, and is now bringing an action to recover \$200 damages against the farmer. If he gets that \$300 it will be the farmer and his family who will be on the streets, and not the labourer. Sir, in view of all these things, is it not natural to expect that these people will begin to look to their interests ? I say we should be fair here, and should endeavour to make our laws fair to every person in New Zealand, and let every one have a fair show. Now, Sir, there has been an endeavour to pass an Apprentice Bill but it could not get through

the Legislature. But the Arbitration Court is getting above the Legislature. Mind you, in speaking of the Arbitration Court, although I have pointed out its likely defects, there is no man who would glory more in its success than I would, because who amongst us would care to see strife or to uphold strikes if we can do without them? I say no large employer of labour ever cares to be interested

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in strikes, and he will go a long way in | the stuff, in the same way as the bootmakers arbitration before resorting to them. Well, Sir, what will be the effects of its action ? If they only allow one apprentice to three or four journeymen, which is now being done, how are the industries of this colony to be carried on, to say nothing at all about an increase of industries ? If we were to allow the young people of this colony to be trained as they ought to be trained, what need would there be to send \$200.000 to America for a lot of rolling- stock, badly made and unsuitable, each carriage weighing 34 cwt. more, and costing a larger sum than those manufactured here ? Why, under an award of the Arbitration Court, I know the case of a respectable man in Dun- edin who has two sons he wishes to take into his business, and for two years he cannot take them in. They have done with their schooling, and, forsooth, they will have to knock about the streets, and become vagabonds instead of being at work, in consequence of this class of legisla- tion. It is wrong that legislation should say to the young men of this colony, when they want to learn a certain trade, "This trade is full ; you must go to learn something else," and when they go to another trade they are told the same thing. There is no room for them; and what are they to do, where are they to go? Let us come to the practi- cal point. Let us take the boot trade. That is the largest trade in New Zealand, and it has the biggest and strongest union or federa- tion in the colony. What is the condition of that trade now ? One large employer in Dunedin had about two hundred hands in his employ. but he has not half that number now, and his case is not singular. American boots and boots from other countries have been deluging this country, and our industries are being ruined In this matter, Sir, the Arbitration Court has taken a great and a wise departure. But, when the flood-gates are open, is it easy to stem the current ? What has the Arbitration Court done ? Seeing the position of this trade, they have abolished, as I understand, the restric- tions on machinery, which was the great curse of the whole thing, and they have allowed every employer to manage his own affairs as he feels disposed, so long as he does not pay below a certain rate of wages. Well, there is some hope of the industry being saved from annihilation, and if the Arbitration Court succeeds they will have done a good work. Well, Sir, there are other industries just as much in jeopardy as the one I have mentioned : and can we stand by and pass these Bills at this stage? For myself I do not think there is very much in this Bill that any one should care so much about. There are some good things in it. There is a certain fear created amongst employers, and a worry exists that is not good for trade. Although we have known employers exaggerate what is to happen to them, yet if they take fright we do not know what may occur. The Hon. Mr. Rigg said that this was a want of energy on the part of employers. Well, if the employers are to be worried and harassed like the bootmakers they will import Hon. Mr. McLean have imported theirs. Therefore, Sir, although there might not be much harm in this Bill, I hope for a season we shall be content. It is the constant bringing-forward of these labour laws that is causing the general irritation, and it is said that the Govern- ment are the cause of the labour laws. It does not matter what Government may be in power, the labour laws will have to go on, and any flaws found in their working must be recti- fied. Something has been said about the head of the department. The head of the depart- ment has been very judicious in working the Acts. He has not dragged cases into Court as he might have done. He has handled his In- spectors carefully, and lots of difficulties have to my knowledge been smoothed over instead of taking cases into Court. It is that sort of gentleman that we should have in that position : but I think he should get resolutions from both employers and employés before he proposes amendments of the law, and then he would not. produce one-sided laws such as he sometimes proposes now. When the one-sidedness of these Bills is pointed out to him he sees the folly of

them himself. I see in these laws a danger, and probably this Bill should be de- layed until we see what might be brought forth in the shape of abuses by the keeping of an overtime-book. I think these new clauses should, at all events, stand over. There is this great danger in pressing the matter too strongly : that employers will commence to think that if they are to be treated in this way they will say to their employés. "So far shalt thou go and no farther ; you shall have that which the law allows you, but no more." Thus we shall have a state of matters that we should not have. Every one should try to promote good feeling between employers and employes, and not stir up strife. I think that too much strife is being stirred up in the Arbitration Court, for I never see much of the conciliation part my- self. Of course, there are some good Conciha- tion Boards and some bad ones, and it is not fair to class them all together. Some have done good work, and have settled a good many cases without having to send them to the Arbitration Court at all. There are others, however, that are undoubtedly sur- ring up strife in order to keep matters going. Such conduct as that, we know, can only end in the extinction of the Boards. The Boards should therefore have fair warning not to draw out disputes that might be settled without causing irritation. I am sorry, Sir, to have to take up the time of the House so long, but I consider it behoves every one, now that the feel- ing is getting somewhat exaggerated, to try to prevent the irritation going further, and to smooth the differences there are existing be- tween the employers and employés, and, above all things, we should try to keep our industries in the colony going, so that work may be found for our people. Our people should be educated to do the work. It should not be necessary when times get brisk to have to send to Australia, or elsewhere, for men. We should avoid that by-

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people for the work there is for them to do in the colony. It is only by so doing that we shall uphold our colony and its interests, and stand well before the world. The Hon. Mr. JONES .- Sir, the honourable gentleman who has just sat down has given us one of his old-fashioned homilies on industrial matters and the responsibilities which rest upon us in regard to labour and capital. Sir, I was very glad to hear the honourable gentleman say that we should do our utmost to conciliate as between employers and employés, because the honourable gentleman in expressing such a sentiment gives his sanction to the legislation which has been passed by the Legislature of this country. The tendency of that legislation, as has been generally admitted, not only in the colony but by outsiders, has been to create har- mony between masters and men. The honour- able gentleman referred -though it was some- what outside the subject- - to the fact that a farm-labourer had slashed his leg while cutting a hedge, and was going to bring an action against i is employer under the Workers' Com- pensation for Accidents Act. One cannot tell what view the Judge before whom this action may be brought may take of the matter, but I know it was never intended that agricultural labourers should be included in the Act. That was pointed out at the time the measure was passed, as will be found in the speeches that were given, and, more than that, the Premier has also stated that the intention was that farm labourers should be exempted. An Hon. MEMBER .- He said he would have them all in this year. The Hon. Mr. JONES .- Well, I do not know what the intentions of the right honourable gentleman are, but I know what he said when the Act was passed. Then, the honourable member also spoke to-day about the restrictions in regard to apprentices, and I consider that what he said in that respect was quite reason- able. If we had the wages and the hours of labour fixed there is no necessity at all to restrict the number of apprentices. But the honourable gentleman then spoke of the effect the measure is likely to have on employers in the colony, or the influence that any inju- dicious legislation in regard to industrial pur- suits may have on the employers of the colony. He went on to say that a large order had been sent out of the colony for boots. Now, what I want to point out is this : that the honourable gentleman, and those who think with him on this matter, have successfully time after time prevented a measure from passing this Legis- lature in order to stipulate that boys should be apprenticed. And what is the effect of the non-apprenticeship of boys ? It is this, Sir:

that we cannot compete with America and other countries in the making of boots. There is hardly a bootmaker in this town who is capable of making a sewn boot that would do him credit and the wearer justice. At all events, if there be any such, one has great difficulty in finding them. Now, Sir, in regard to the measure which is before us: When I heard make his last speech in regard to it I felt that he had made the best of a bad business. No doubt, Sir, his position is an exceedingly difficult one, and I question whether there is another gentleman in this Council, or in Parliament, who could have so wisely, judiciously, and delicately placed the matter before the Council. But, Sir, my course in regard to this Bill seems to me to be plain. If we had not taken evidence in regard to the measure I should have thought I understood all about the evil with which it deals. I should have thought I knew what the clerks in the banks and offices in this colony desired to have. But we have taken the evidence, and we have taken it as a guide to our action, and I say that we must act in accordance with what it appears to indicate. I say "appears to indicate" advisedly, because I feel that the petitions that have been sent to us may not be worth as much as we could desire. It might be, and it has often happened under similar circumstances, that an employ  , when he is desired to sign his name, is met with the demand, which may be mandatory, "Sign your name there, please!" Now, is it likely that an employ  -having no trade, perhaps, but simply able to do clerical work-would by refusing to sign his name at the request of his employer court dismissal, and thus be in want of sustenance for himself and perhaps for his family? Sir, every clerk who refused to sign his name would be saying in effect, "I am overworked and underpaid," because it is just exactly overwork and underpay that this Bill proposes to deal with. Sir, the evidence was a pleasant surprise to me. I did not think it possible that there could have been so much unanimity amongst any particular class in the colony; and I hope that they have been acting entirely upon their own initiative and their own convictions, and have not been driven to take this view of the question by an implied necessity in order to retain their positions. To assert that they were in dread that if they did not sign the petitions and act in accordance with the views of their employers they would suffer, might be doing an injustice to all concerned. I am only showing that where you have such a system of obtaining the wishes of servants there is a danger that they may be acting through fear under terrorism. There is one thing that the action of the clerks has proved to my mind, and that is that they have a sturdy devotion to duty, and that they consider it unmanly to complain. That is the view I took when I saw the action they were adopting with regard to this measure. Sir, I have said that the evidence was a pleasant surprise, for it demonstrated that the employ  s not only in the banks but also in the warehouses were a happy family- the lion and the lamb were, as it were, lying down together. I hope the lamb was not inside the lion, as that too often happens. I want here to emphasize the fact that, in regard to all such legislation as this, similar objections have been raised from the very beginning. All the legislation we have had for

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improving the condition of the workers of this colony has been met with the same objections on the part of the employers. But what is one to do? The clerks declare that they do not want our good offices. They say, "Go elsewhere with your beneficent intentions, we do not need legislative interference on our behalf; we belong not to the wages masses, but to the salaried classes." I shall take the hint that has been so indignantly given, and therefore vote, so far as the banks are concerned, to leave them severely alone, believing that the time will come when clerks will deem it necessary, unless their condition has in the meantime been voluntarily ameliorated by their employers, to come asking us to take action on their behalf. It has been asked why a plebiscite of the clerks and of others involved in this question was not taken; but, as I have already pointed out, there is not much encouragement to take a plebiscite when you cannot get at the true convictions or the true desires of those interested. The voice, Sir, may be the voice of Jacob, but the hand the hand of Esau. Some remarks have been made by honourable gentlemen on the injudiciousness, and even the immoral tendency, of allowing clerks and others to get away to play

tennis and croquet, and indulge in other pastimes in the afternoons, and to work in the evenings in order to make up for the time lost. I cannot sympathize with honourable gentlemen who can take such a view of the matter. In my opinion, young men should be encouraged to get out into the sunshine to have a little pleasant exercise, even if they have to work an hour or two in the evening to make up for it. At the same time I admit that it might lead to mischief where there is an evil design on the part of employers to overwork and to "sacat " their employés ; but I do hope that such a thing does not exist in the colony, and that it never will exist amongst the managers of our financial institutions. Now, with regard to the proposed shop legislation, I contend that the legislation with regard to shops in this measure will be to the advantage of all concerned. It places all the shopkeepers on a common level, both small and great. But the shop-assistants as a whole will not be benefited by it so much as one might think. They will work quite as long hours as they work now. We, however, want to bring the small shops into line with the others, and that is why I take it this legislation is sought to be passed. It has been stated that there has been a curtailment in this measure of the hours of adult labour for the first time in this colony. Well, Sir, the Bill lays down that a man may work fifty - two hours a week, excluding meal-times-eleven hours one day of the week, and nine hours on the other days; and that he may work ninety hours a year at stock-taking. The pay in some cases is ridiculous. In the case of girls it is 4s. a week ; for boys under seventeen, 5s. ; and for other shop-assistants under twenty, 6s. It has been said by those who are opposing this measure that the legislation just now sought with regard to shops is going to play sad havoc Hon. Mr. Jones with industrial conditions in this colony. But how can that be? In the first place it only refers to shops-the mere distributors-not to manufacturers ; and in the second place there is no attempt to increase wages. How much do those who set up this theory think ought to be paid as wages, and how many hours would they like the poor drudges to work ? Notwith- standing that we must admire what has been done in regard to labour legislation in this colony in the past, the adult assistants in shops throughout the colony have been sadly neglected and cruelly treated. I am therefore pleased that, although the concession which is being made to them is not a very great one, some concession is being made to them. I listened with intense emotion to the pathetic appeal that was made by the Hon. Mr. Shrimski on behalf of the small shopkeepers ; but I would point out that we have as much right to consider those who are engaged in the large shops as we have to consider the small shopkeepers or any other class, and it is to meet the condition of the great majority of those who work in the large establishments that this Bill is being brought in. It will be readily understood that we could not possibly allow any class of shops, whether great or small, to escape the restrictions which are contained in this Bill without doing incalculable injury to the whole of the shop- keepers and shop-assistants. It is clear to my mind that if the honourable gentlemen who pointed out that we could not do anything in regard to the banks or warehouses wish to be consistent, they must support the legislation which is being suggested in regard to the shop-, because the reason for omitting the banks and warehouses from the Bill is that satisfactory evidence has been given against their inclusion. It must be obvious that the evidence which has been given and the desire which has been expressed for the inclusion of the shops are just as strong and binding upon us. In regard to warehouses, there are only two provisions now in the Bill -- one as to sanitation and the other as to keeping the extra-time books. Well, Sir, the provisions with regard to sanitation are admirable, and absolutely necessary ; but with regard to the extra-time books, which some honourable gentlemen seem to have placed so much reliance on, I must say that I consider they will be utterly useless. Who is to keep these time-books? Who is to see that they are honestly kept ? It will surely occur to honourable gentlemen's minds that there can be no reliance placed on books kept under the circumstances. Why, it would be neces- sary to have a State official at every book in order to see that the entries were properly made. I am now going to read a letter which I received from a respected citizen of Wel- lington in regard to a certain matter which I think is met by the clauses in the Bill :- "I have read the Evening Post's digest

of the Shops and Offices Bill, and I do not see that it provides a remedy against certain practices now existing. There are in Wellington tea-rooms established by certain drapers in their business premises, and as part of their

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supposed to get the Wednesday half-holiday, the same as the other employés. But it is the custom in at least one of them for the employer and others about the shop to come up into the tea-room on the Wednesday, sometimes as late as a quarter to two, for their lunch, and this cuts heavily into the half-holiday. Again, on the day of the Duke's reception the tea-room staff were kept in attendance to serve out tea, et cetera, to certain guests of the firm who occupied seats on the verandah, so that they got no holiday that week. I would suggest a few words in the Bill to stop this state of things, by providing that on holidays no customer shall be served after a certain time say, 12.45 p.m., and that otherwise the tea-room shall be closed when the shop is closed by law." I think the difficulty, or evil, mentioned in this communication is met by a provision in the Bill, but I thought I ought to read it to emphasize the necessity for such provision being made. As may be gleaned from what I have said, I am going to vote for this Bill to go into Committee, and when it gets into Committee I shall use my discretion and my best endeavours to make it a useful measure. The Hon. Colonel PITT. - The Hon. Mr. McLean, in his opening remarks in the speech which he made on this Bill, expressed in very able language his opinion as to the relations which should exist between employers and employed. I do not suppose, Sir, that there is any one who will take any exception whatever to the sentiments which the honourable gentleman expressed on this occasion. He went on to criticize the labour policy of the Government, and certain measures which were in existence and on the statute-book, and I was listening, Sir, with considerable attention to see how the honourable gentleman applied his remarks to the Bill before the Council, and what did I find ? That the honourable gentleman said that he did not think there was much in this present Bill to object to. Sir, I agree with him, and I think that this ought to be the opinion of most honourable members of this Council. I have been very much surprised indeed at the tone of the present debate. I recollect what the debate was upon this Bill last session, when it passed ! into the Bill ? Why should they be excluded ? this Council for the second time, I believe. Most of our time was taken up then in reference to a class of people who have not been referred to at all in this debate, and who ■ there any one who has had any doubt whatever of all others, in my opinion, are entitled to more consideration than any of those who have been referred to by the members who have spoken. I refer to hotelkeepers. Now, if we accept the general principle that the State has the right to regulate hours of labour so that they shall be for the good of all, we ought to apply it fairly all round, and I would like to ask what right have we to interfere with the shop-keeper, with the hotelkeeper, and with others whom this Bill does interfere with, and leave the bankers and the wholesale warehousemen alone ? So far as my recollection carries me, once to the Bill of last session ; but it is a very strange thing that-although we are quite prepared, or were prepared last year, to touch the small man, the small retail trader, the men in the small shops - immediately we begin to touch the large corporations and moneyed institutions we are flooded with petitions against the Bill. An Hon. MEMBER .- Quite right, too. The Hon. Colonel PITT .- Exactly; and I was very much surprised indeed, in listening to the remarks of many honourable members who supported this Bill strongly last year, to see how readily they are prepared to give way in the face of these petitions in favour of the bankers and in favour of the wholesale warehousemen. An Hon. MEMBER .- The whole class. The Hon. Colonel PITT .- Well, we shall see presently. And, Sir, I should like to ask, How far is this Bill going to interfere with this class? It gives them an additional hour's time in which their offices may be kept open. They may be kept open another hour under this Bill ; but the one thing which has excited the whole of this opposition to the Bill, and which has drawn the attention of these institutions to it, is the fact that they have to pay overtime. And, Sir, the honourable gentleman who has just interjected- the Hon. Mr. Lee Smith - in his speech

proved the case for the Bill by the remarks he addressed to this Council. He said he had been intrusted with some hundred and fifty petitions against the Bill. He told us that, as he had been intrusted with some hundred and fifty petitions against the Bill, he ought to express his opinion upon it ; and what did the honourable gentleman tell us? He confessed that in times past there had been reason for interference, that there had been abuses in reference to the employés in the banks, but that as soon as the matter had been talked about in this Council there had been a great reform in this respect. And, Sir, what did we hear in the debate this afternoon? The Hon. Mr. Mclean says, " Let us see what the extra-time book brings forth." The Hon. Mr. Twomey says, " Let us have an extra-time book to guard against abuses." Well, Sir, what I want to ask is, Why should we not bring these institutions before the Council, Sir, I was surprised to hear the Hon. Mr. Jones say that he was prepared to leave banks alone because they asked to be left alone. Sir, is that if there is one class of the community ! who are overworked and underpaid it is these employés in the banks ? The Hon. Mr. PINKERTON. - Why do they not say so ? The Hon. Colonel PITT. - My honourable friend says, " Why do they not say so ? " Well, I think the honourable gentleman has sufficient common-sense and has lived long enough in the world to know that persons very often are not in a position to speak their minds. The Hon. Mr. A. LEE SMITH. - There is a great difficulty in getting clerks now.

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The Hon. Colonel PITT .- Very well, I say what I think, with a full sense of responsibility, and I venture to say that if honourable gentlemen will speak their minds they will agree with me in what I have said. The Hon. Mr. JENNINGS .- No. The Hon. Colonel PITT .- Well, I respect the honourable gentleman's opinion. Now, as regards warehouses, we had evidence on behalf of warehousemen before the Labour Bills Committee, and what did it amount to ? Why, Sir, that the overtime in the warehouses, so far as it was represented to us-and I suppose we must take it that it was truthfully represented to us - was a very small matter. I think one gentleman, and a very intelligent gentleman-Mr. Arneil, who put their case very well indeed before the Labour Bills Committee-told us that the overtime was from a minimum of three to four hours per month to twenty-four hours per month ; and what was represented was that, if we insisted upon this Bill being passed the excellent relations existing between employers and employés in the warehouses would be destroyed. Well, Sir, I quite agree with what has been expressed by the Hon. the Minister in charge of the Bill-that it is absurd to say that because the employers will have to pay an amount for overtime it will interfere with the relations existing between them at the "present time. I refuse to believe for a single instant that it will make the slightest difference between employers and employés in the wholesale warehouses. Their position simply amounts to this-and it is just the same in reference to the banks : " Let us alone ; we do not want the Legislature to interfere with us at all." There are a great many people in the community who do not want to be interfered with, and who say, as the Hon. Mr. Jennings pointed out, "Let us alone." And, Sir, I am surprised to see how differently honourable gentlemen can look at this question of interference. We had an instance only a couple of days ago. The country settler said, " Do not interfere with me transferring my lease," and the honourable gentlemen said, " You must be interfered with, and you must not be allowed to do anything of the kind." But, Sir, when the banker comes round, and the wholesale warehouseman comes round, and says, "I do not want to be interfered with," they say, " Why should they be interfered with ?" An Hon. MEMBER .- Interfered with to their detriment. The Hon. Colonel PITT .-- " To their detriment ?" We have got to consider what is best in the interests of the whole community, and that is the reason why I, for one, shall vote for the second reading of this Bill. Once you admit that you are going to interfere with anybody under the Bill, then I say you must make the interference apply all round. Now, Sir, the Hon. Mr. McLean in his argument instanced the boot trade, and said that the result of the labour legislation had been practically to destroy the boot trade, which, I understood him to say, was now being attempted to be saved by some decision of the

Arbitration Court. circumstances other than labour legislation altogether. Hon. MEMBERS .- NO. The Hon. Colonel PITT .- Then, I put this to the honourable gentleman : We have heard a great deal about America dominating the boot trade. Why is that? It is because they have in America better machinery, and because they can specialise and work in certain lines which those in the boot trade in this colony do not possess, and cannot work in the same way. The consequence is, and any one in the boot trade will tell you, that the American manufacturers can produce, owing to the conditions of labour and the use of the machinery there, in such large quantities that they can actually afford to dispose of portions of their surplus stock almost for nothing in this colony. An Hon. MEMBER .- They have blocked the use of the machinery in this country. The Hon. Colonel PITT .- That may be. I am not prepared to say anything upon that point, but I do say that is the reason why. An Hon. MEMBER .- NO. The Hon. Colonel PITT .- Well, I will invite the honourable gentleman to read the evidence given before the Federation Commission by all the bootmakers in this colony, and he will find what the opinion of those who, I venture to say, know what they are talking about is upon that point. It is the facility of production by means of machinery in America and in the Colonies of Australia that has brought the boot trade to the condition in which it is in this colony. An Hon. MEMBER .- Why cannot we do the same here as in Australia ? The Hon. Colonel PITT .- Because we have not the machinery. An Hon. MEMBER .- You will not give us a show to use it. The Hon. Colonel PITT .- I do not wish to occupy the time of the Council longer upon this matter. I have expressed, I think, all that I intended to say when I rose. I shall support the second reading of the Bill, and I shall support the clauses in the Bill in reference to the banks and the warehouses ; and if those clauses are omitted from the Bill, well, then, I should not be sorry to see the whole Bill thrown out altogether. The Hon. Mr. A. LEE SMITH .- As a matter of personal explanation, I think the honourable gentleman has misunderstood me. When I got up to speak about the gentlemen in the banks and their overwork it was with regard not to this being imposed on them, but that these men, being opposed to legislative interference, had taken the precaution by this Bill being before the Council last year to alter their methods, and they now did less work at nights. But the main contention on my part was that the banks, having special work to do on account of the mail and other busy days, must necessarily have more than the time allowed by the Act. The Hon. Mr. T. KELLY .- I had made up my mind not to speak on this question, be-

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But to begin where the Hon. Colonel Pitt left off, in regard to the boot trade, it is easily explained why Americans can send boots here and undersell the manufacturers in New Zealand. America is a protected country, and does not allow importation of foreign boots. The boot-manufacturers have an immense home trade, and supply boots to eighty millions in America. Consequently, they produce on an enormous scale, employ first-class machinery, and to keep their machines running are willing to export at cost price. They dispose of their surplus all over the world at a low price. You can buy American boots in New Zealand at a cheaper price than the American user can obtain them in America. In regard to agricultural machinery, you can buy reapers-and- binders of American manufacture in New Zealand cheaper than the American farmer can in America. The reason of this is because the American home trade is protected by prohibitive tariffs. I was in considerable doubt how to vote on certain sections in the Bill - namely, in regard to clerks in banks and warehouses - as it is very difficult to get at the truth as to whether these petitions which we have received express the real feeling of the employés, or whether they are coerced by the employers to sign the petitions. I have tried to find out from independent persons who have been employed in banks at one time, but are now out of the bank, and therefore can express their minds freely, and they have told me that the petitions do express the opinions of the employés. But on the other side I have also been told by reliable persons that the employés need protection. But then comes the question, even if they do express the opinions of the persons interested, why should the banks and

warehousemen be left out altogether? Why should they not be treated like any other institution? We must recollect that we have a large interest in a bank that does half the business of the colony, with a body of employés who are practically the officers of the colony. We find the bank the capital to carry on ; we find them four millions and a half ; and therefore to all intents and purposes the bank is a colonial bank, and we are responsible for its actions. The bank officials are our officers, and it is our duty to protect them ; and therefore, balancing the opinions on both sides, I intend to vote for the Bill in regard to bank clerks and ware- houses. I see no reason to make a distinction between the employés in banks and ware- houses and other persons in the community. If any injustice is done by the passing of this Bill we shall hear of it next session. The Bill has been introduced in this Chamber, and has to go to another place to be revised. We initiate these great Bills, and, instead of this being the revising Chamber, in this instance the representatives of the people will have to revise our work, and if we have done an in- justice they will have an opportunity to put it right. I therefore state that I will vote for the Bill as a whole. I see no reason whatever for departing from the general principle. very much astonished to think that one or two new provisions in this Bill should have emptied so many vials of wrath upon my head. After all, we must admit that the Bill has not only passed this Chamber on two previous occasions, but that it is absolutely the law as it stands at the present time, with one or two exceptions. The strange thing is this : that the inclusion of these different occupations were inserted in the Bill by the operation of our own Labour Bills Committee. Members of that Committee will know that the original Bill did not include some of these provisions. For instance, it did not include the provision as to overtime. That was inserted by the Labour Bills Committee last year. An Hon. MEMBER .- How many were at the meeting ? The Hon. Mr. W. C. WALKER .- I do not remember, but there were enough to show an intelligent interest in the Bill. Then, in the same way, this Bill is the same Bill that was brought down two years ago, only with certain suggestions accepted from our own Labour Bills Committee. Of course, honourable gentlemen may endeavour to throw out those suggestions, but they must admit that the Labour Bills Committee takes a very painstaking and intel- ligent interest in all these questions. They have done a great deal to claim not only re- spect at the hands of the Council for the work they have done in the past, but they have also won the esteem of the public at large, because I find that the public at large is more inclined to lay a case, or any hardship in proposed legisla- tion, before the Labour Bills Committee of this Chamber than they are to lay it before the Labour Bills Committee of another place. And that is accounted for by the care and the time the Labour Bills Committee of this Chamber devote to a subject. I do not think it is right, therefore, to endeavour to minimise the work that that Committee does, or to say that because they have inserted a clause in the Bill that has been before them that clause should not be carefully considered and approached with a certain amount of re- spect. That is all I wish to contend for. I wish to point out that when this Bill was first before us two years ago it did not contain some of the clauses that are now most strongly ob- jected to. I must say, too, it is very refresh- ing to hear an old warhorse on the warpath again. It was pleasing to notice that the Hon. Mr. McLean, when he gets the chance, can still take his preliminary canter and bring out the old stock arguments against any kind of labour legislation. Sir, it did us all good, and we are glad to know that he is able still to think that there is either sound or sense in the old stock argument which he has used so often. Of course, he has been encouraged to a certain extent, because he finds certain clauses in this Bill to which there is a certain amount of opposition ; but he must not delude himself into believing that the Council as a whole is going to stultify all its legislation of the past ten years, or into thinking that

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of legislation there is nothing good in it. We are older than we were ten years ago, and we have learned by experience, and, in spite of what the honourable gentleman may say, not only have we been justified in the legislation we have passed during the last few years on these subjects, but events have abso- lutely proved how right we have been, and how very wrong the prophets of evil were when they protested

against those measures. It is too late now for any honourable gentleman to get up in his place and say, simply because he does not like a measure or because a measure embodies some new thing, that therefore it necessarily is wrong. That is no argument at all ; it never was any argument at all ; but now that sort of argument has been discredited, and the prophecies we have heard so often have proved to be false, and things have turned out just in the opposite way to which the prophets desired. I do not think, therefore, that this Council need care twopence for opinions of that kind. Of course, I listened with great respect to the personal opinions of honourable members as to including this class and that class and the other class of traders in this Bill. I know that members in this Council have had many more experiences in certain directions than I have had myself, and my endeavour always is to learn from them where my experience falls short. But to my mind the only argument that I have heard in reference to bank clerks, for instance, that is worth anything at all was the argument used by the Hon. Mr. Pinkerton, in which, speaking as an old trades-unionist, he said that it was of no use helping people who would not help themselves. Well, I must say in the bottom of my heart I have a certain sympathy with that sentiment. If bank clerks are as subservient as I believe they must be to have signed those petitions, I believe they hardly deserve help. But, Sir, in spite of their subservience, in spite of the way they will follow the guidance of the hand that should cherish, but which in some cases crushes cruelly, I think we ought not to take them out of this Bill. We ought to give them the protection which the law ought to give to any child of the State. In the same way, I think, in their own interests it would be better both for employers and employed that over- time should be treated as an amount of work to be paid for, as out of ordinary time. I am sure it would bring about more satisfactory relations between employers and employed. As to all we have heard about the amicable relations existing between the institutions and their employés, if all that is true I am quite sure the payment of overtime will not disturb them. I am not troubling myself with their affairs; but, if they have not the spirit to let us know what their feelings are, I do not think there should be very much doubt that those institutions have worked their clerks a good deal longer hours and paid them excessively small salaries. The privileges they get in the matter of holidays and sick-pay are what any employer must give to his servants Hon. Mr. W. C. Walker luxuries-they are necessities, and we all know very well that bankers give them to their employés in order that they may be kept fresh for their work, and I am quite sure that holi- days will not be taken from the bank clerks as a result of the passing of this measure; nor do I think their pay will be reduced, because this cannot be done below a certain point. A man must have enough to live decently on, and their present salaries can admit of no deduction. I trust the Council will go into Committee on this Bill, and there give careful consideration to the clauses that have been inserted since it was first brought down two years ago. I hope they will do this, and turn out as good a Bill as they possibly can. It was with regret that I heard the remarks from some honourable gentlemen to the effect that it is a wrong departure to initiate measures of this kind in this Chamber. I would point out that this is largely and principally a con- solidating measure, which the Council, on its own motion, has added to. Since I have had the honour of representing the Govern- ment in this Chamber, my endeavour has always been to give the Council work to do; but if I am not to initiate measures. excepting those of merely a formal or not contentious kind, then I say that this Chamber would be more often without work than it is at present. I do not see how any objection can be brought against this Bill, because it is really a consolidating measure, and one that requires. careful consideration. I therefore think that the Council should now proceed with the Bill in Committee, and judge it by the evidence taken by the Committee and the report that has been brought down. I move, Sir, That you do now leave the chair, in order that the Council may go into Committee on this Bill. Bill committed, and progress reported. The Council adjourned at three minutes to five o'clock p.m. # HOUSE OF REPRESENTATIVES. Friday, 16th August, 1901. First Readings- Presbyterian Church of New Zea- Jand Bill - Charitable Gifts Bill - Hospital Nurses Registration Bill-Financial Statement -Supply. Mr. SPEAKER

took the chair at half-past ten o'clock. PRAYERS. FIRST READINGS. Juvenile Smoking Suppression Bill, Feathers- ton County Bill, Mackenzie and Geraldine Counties Boundaries Alteration Bill.

PRESBYTERIAN CHURCH OF NEW ZEALAND BILL. Mr. McNAB (Mataura) .- Sir, in moving that the report of the Committee be agreed to. I desire to point out to honourable members and

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which have been made by the Committee. I will in the first place deal with the amendment in clause 3. It is an altogether unimportant amendment. Honourable members will re- member that when a debate took place on the second reading a question was raised by the member for Auckland City (Mr. Napier) re- garding three words contained in that clause, which he asked should be deleted from the Bill, and, as the words were quite unnecessary, specifying that the legislation was to con- tinue "for all time," I agreed to the striking out of the words when the Bill was before the Committee, and accordingly these three words have now been struck out. They were entirely unnecessary in the first instance, and the meaning of the clause has not been affected by their striking out. The important amend- ment made by the Committee-in fact, the only other amendment that has been made by the Committee-is the striking out of the schedule, and I want to explain to honourable members the position in regard to that amend- ment. When the legislation was first proposed by the two Churches regarding their union, it took the form of an agreement entered into between the two Churches, specifying the terms on which they proposed to join, and this agree- ment was handed over to some legal gentleman to prepare a Bill to give effect to the terms of the agreement. When the Bill came into my hands, after having been agreed to by the two Churches, I pointed out certain objections which this House would have to legislation in the form in which they had handed the Bill over to me, and my objections were deemed worthy of such consideration that a special meeting of the Synod of the southern Church was called to consider them. I might say that the ob- jections consisted of this: that the lawyers, when preparing the Bill to give effect to the articles of agreement of the two Churches, had practically gone so far as to constitute the two Churches a united Church by statute law, and to enact the terms of union of the two Churches by statute, a thing that was never contemplated by either Church in the first in- stance, but which they had allowed to pass through the Courts of the Church, not having any other outside advice or the terms of the Bill that was to give effect to their union. In fact, they took the Bill as a patient will take a pre- scription he gets from his medical man-with- out any question at all. When this point was brought before the knowledge of the Synod another meeting was held ; but previous to that meeting being held I had a conference with the Committee dealing with the Bill, and it was arranged that all the clauses in the original Bill that dealt with ecclesiastical and spiritual mat- ters should be eliminated from the Bill, and the Bill only deal with the question of Church property, just as the union of other Churches which has gone through this House only re- quired legislation to deal with their property. When we were striking out of the original Bill the clauses that were unnecessary we struck out a clause which I will read :- Presbyterian Church of Otago and Southland and the Presbyterian Church of New Zealand shall be held to be united as one Church, spiritually and ecclesiastically, under the name of the 'Presbyterian Church of New Zealand,' subject to this Act and the terms and pro. visions set forth in the Schedule to this Act." This clause was entirely removed from the original Bill, but we did not remove from the original Bill the Schedule the clause referred to; and there was a Schedule. Amongst the recitals there was the following :- " Whereas the said Churches, by an agree- ment signed by the Moderator of the said Synod and the Moderator of the said General Assembly, have agreed to the terms of the said union, and such agreement is set forth in the Schedule to this Act." And the reference in the recital to the Schedule of the Bill itself, we retained, although perhaps it ought to have gone, out of the Bill along with the 2nd clause. The Bill was then referred to the Churches, and the southern Church agreed to the amendments which had been made. But this included the retention of the Schedule, which, with another point which had arisen, was, I understand,

referred by the Synod to Mr. T. F. Macdonald, of Invercargill, to advise whether the clauses should be retained or not. One of the clauses which was referred to, and which we decided should be in the Bill, was struck out by the Synod. Then the Bill came up to the House for consideration. When the northern Church saw that the Schedule was retained in the Bill by the southern Church they approached, through their committee, the southern Church, and requested that the Schedule should now be removed from the Bill, as all reference to ecclesiastical and spiritual matters had been eliminated, and the Bill, they contended, should deal with the articles of agreement of the Churches, just the same as the Methodist Bill, which had been passed through the House in 1895, and there should be no reference to the terms of agreement in the Bill itself. The matter was referred by the southern Church to its legal adviser, who advised them that, so far as the legal effect of the union was concerned, it did not matter whether the Schedule was retained in the Bill or struck out, as the Schedule contained only the agreement between the two Churches. This being the advice of their legal adviser, when the northern Church asked that the Schedule be struck out the southern Church agreed to that amendment, and, when the question came before the Committee on the Bill, the two Churches were, through their representatives, present, and asked that the Schedule should be struck out and the necessary amendments in the recital made, so that it simply specifies in the recital that an agreement has been entered upon on certain terms. Hence the amendment which has been made in the Bill since its second reading, and which honourable members will see on the copy of the Bill submitted. These are the only amendments that have been made, and I do not think there is anything else

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union of the Churches in so far as this: that when the Churches unite, that union will not affect the trusts connected with the property owned by the southern Church. That is all the Bill proposes to accomplish. I move, That the amendments made by the Committee be agreed to by the House. Mr. J. W. THOMSON (Clutha) .- The honourable member for Maitland has told us how it happens that the Schedule, which forms part of the Bill as introduced, came to be struck out by the Private Bills Committee. I may say I have had a letter from a clergyman in Dunedin who wishes to see the Bill pass as introduced—that is to say, with the Schedule as part of the Bill. I mentioned this to the honourable member for Maitland, and asked him to delay the Bill for a week, but he did not see his way to agree to my request. I have the right to move that the debate be adjourned, but I am unwilling to take the responsibility of doing that. The Bill has still to pass the Legislative Council. Those, therefore, who are desirous that the Bill should pass as introduced will have an opportunity of placing their view of the case before the other branch of the Legislature. As they have this opportunity, I shall not interfere with the passing of the Bill. Mr. BUDDO (Kaiapoi) .- Like the honourable member for the Clutha, I also regret that provision is not made to retain the Schedule in the Bill. The Schedule contains the whole terms of union of the Otago and New Zealand Presbyterian Churches, which, from a Church point of view, it is most desirable to have retained. I do not intend to move an adverse motion, because I recognise that the honourable member for Maitland is empowered by the bodies interested to act in their interests, but I wish most emphatically to protest against the proposal to eliminate such a valuable record of the union from the Bill. I think the Bill ought to have been altered to suit the Schedule, instead of the Schedule being cut out to suit the Bill, and I trust that this beneficial amalgamation of Churches may be in the direction of giving greater power to such a large body as the Presbyterian Church of New Zealand to work in the interests of that Church in all social work in the community. I have no other objection to make, feeling sure that the honourable member for Maitland has the confidence of both Churches who are parties to this union. Mr. G. J. SMITH (Christchurch City) .- Sir, I think the honourable member for Maitland has been wise in taking the Schedule out of the Bill. The Presbyterian Churches of New Zealand want legal authority only to deal with their properties, and, so far as Church government is concerned, members of that Church will, I think, find

it very much better to eliminate from the Bill all reference to that. When the Methodist Bill was being considered the question was looked at, and it was decided that it should deal with the legal difficulties so far as the property was concerned only, and that any reference to Church government in the Mr. McNab Presbyterian Church will find that the alteration agreed to by the honourable member for Maitland will be in the best interests of that Church itself. Personally, I am delighted to find that the two Presbyterian Churches of New Zealand are united, and have become one strong body. Mr. MEREDITH (Ashley) .- When this Bill came from the Committee my suspicions were somewhat aroused on account of the Schedule having been excised from it, but after hearing the explanation of the honourable member for Maitland, Mr. McNab, who is in charge of the Bill, and who has been in direct communication with its promoters both in Otago and Southland, and also those of the northern Church, I think the House might rest satisfied that everything that need be done has been done in order to serve the best interests of the united organizations. I understand that one of the objects of the Bill is to give a legal status to the united Church as a corporate body to hold property. I do not agree with my honourable friend the member for Clutha, Mr. Thomson, that there is justification for misgivings on the question. I am prepared to support the Bill, believing as I do that it is in the best interests of that important Church organization, which numbers about one-fourth of the total population of the colony, and hope the union will be productive of the highest good. Mr. T. MACKENZIE (Waiheke) .- The honourable member for Christchurch City (Mr. Smith), says that this Bill is what the Presbyterian Church of New Zealand requires, and he has arrived at that conclusion on account of certain conditions that obtained in the Bill 1 of another Church of this colony some years ago. I have, however, had communications stating that the concessions granted by the honourable member for Maitland were never contemplated by the supreme Court of the Presbyterian Church of Otago, and that the whole union was influenced and promoted by the retention of the Schedule of the Bill. Some of the oldest and most respected ministers of the Presbyterian Church of Otago declare that if the Schedule is not made part of the Bill it will cause very great trouble to the Church in Otago. I have had very strong letters upon the point, and I am requested to oppose the Bill, because without the inclusion of the Schedule they maintain its purposes are lost. They declare their surprise that the representatives of the Church from the South should, in order to obtain unanimity, have conceded points that were never contemplated by the Presbyterian Church of Otago when the union was agreed upon. I am simply voicing the opinion of these worthy clergymen, and not my own. The subject is one that I am not sufficiently familiar with to give an opinion of my own upon it ; but the gentlemen I refer to are perhaps the most representative of the Church in Otago, and I venture to think that their opinion should receive great consideration here. The honourable member for Clutha says that he does not feel justified in moving the adjourn-

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further opportunity in the Legislative Council of doing what he would wish the honourable member in charge of the Bill to do now. The union is a most important one, and I venture to think that the people of the colony feel very deep gratification at it, because they recognise that the Church when united, as we hope to see it, may be able to make itself felt more in this colony in certain directions than it is able to do at present. Its numbers are many, and its influence proportionate in the legislative councils of the colony, but is not as great as it should be in connection with some educational measures which are near and dear to that Church. I feel that I am not at all justified in taking any steps on my own responsibility in delaying the passing of this Bill ; but I express the hope that the honourable gentleman in charge of the Bill will yet see his way to retain what, at any rate, some of the best members of that Church recognise as the very leading principle of the Bill. If this is struck out, they state that they will then be deprived of what they hold to be the best feature in connection with the whole measure, and a declaration of the actual condition under which the southern Church agreed to unite with the north. In view of that it is of the

utmost necessity the retaining of the Schedule. They will feel that that has been taken away from them which they would not for any consideration have so taken away. I am making a statement that is based upon information that I have received from correspondence. As I said a moment ago, I am not giving my own opinion, but an opinion that has been conveyed to me, and I claim that these opinions ought to have the respect of the House, considering the source from which they emanate, and that therefore we should strike out this clause, as I have indicated. Mr. McNAB (Mataura) .- There are just one or two points I should like to reply upon. First of all, with regard to the statement of the honourable member for Ashley. He was entirely in error in saying that this Bill gives legal effect to the union of the Church, and forms them into a body corporate. I was not clear in moving the adoption of this report in explaining that the union of the Churches is effected without any legislation at all, but simply by agreement between the two Churches, which agreement has been prepared and signed by the Churches. But there was this difficulty, which I explained on the second reading : that the southern Church possessed a considerable amount of property in Otago, which is held subject to trusts, that require a body connected with the Presbyterian Church to exist in Otago to distribute these funds in Otago only. To enable the southern Church to unite and at the same time to carry out these trusts this Bill was required ; but it was not required to effect any union whatever, and in the articles of the union only those articles are to be incorporated in the Bill that deal with the further retention of these trusts that I have referred to. Now, in connection with the remarks of the last honourable gentleman who spoke, I think it name of his correspondent, because I believe that if that had been done a different weight might have been given to the remarks which he narrated- they were not his own -- as coming from the Presbyterian Church of Otago. Without saying that the amanuensis was the same as the writer of the letter to the honourable member for the Clutha, and without identifying either of them as being the one that I mention. I can say this : that the great opponent of union in every shape and form in the southern Presbyterian Church of this colony has been the Rev. Dr. Bannerman, and that reverend gentleman, I am advised, lives in the borough of which the honourable gentleman is the worthy Mayor. I respect the reverend gentleman for the way that he has, in season and out of season, fought conscientiously against union in any shape or form. I may say this-I do not suggest it as the reason for urging opposition to this Bill in the House, but it is a peculiar thing that the importance of this Schedule is now brought forward. So far as the legal effect is concerned, it does not matter whether the Schedule is in or out, but the northern Church at the last moment wanted that Schedule retained. It was a matter of grave doubt with the southern Church whether the union would be effected at all if that Schedule were kept in the Bill : and there is this strange thing that I might refer to : that just at that psychological moment the leader of the opposition to the union - Dr. Bannerman - should find the importance of keeping the Schedule in the Bill, although the result of keeping it in the Bill would be to prevent the union. It was very unfortunate that a reverend gentleman who was interested should himself have communicated with anybody at all in this House. I move, Sir, That the report be agreed to. Mr. T. MACKENZIE .- I have just one remark to make Mr. SPEAKER .- On a matter of personal explanation, I presume. Mr. T. MACKENZIE .- Yes, Sir. In justification of that grand old monument in Otago, Dr. Bannerman-would there were a great many more of his type in the colony, for he does not give way to every breath of popular opinion -- I wish to say that neither directly nor indirectly had I any communication whatever with that gentleman. So you see the objection to the deletion of the Schedule is much wider spread than was suspected by the mover of the Bill. Motion agreed to, and Bill read a third time. CHARITABLE GIFTS BILL. Mr. CARROLL (Native Minister) .- Sir, I do not propose to take up much of the time of the House in introducing this measure, which is called into necessity through the gift by Dr. Logan Campbell the other day to the people of this colony. He gifted to the public 230 acres of very valuable land within the surroundings of Auckland ; but on going into the matter it was found that the deed conveying the said

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ment and it, therefore, was subject to the taxation imposed by the Stamp Act. Now, I think every one will agree with me that any gift of that nature given to the public, or to a public institution for the benefit of the public, should come within the province of statutory exemptions—that is, all similar gifts in the future. It will be seen, however, that this Bill does not cover the particular transaction referred to. The reason of that is, though we provide to free all such cases in the future, we consider it undesirable to have retrospective legislation. We can place a sum of money on the estimates sufficient to cover the amount of stamp duty required under the Act, and in that way free this gift from the burden imposed. The transaction of Dr. Campbell's gift is one that comes within the spirit although not within the strict letter of the law providing for exemptions, and, to set that point clear in respect to all future transactions of the kind, this Bill is absolutely necessary. I may add that we cannot view the act of Dr. Logan Campbell in too high a light as a public donation. It was really a magnificent deed. He is a gentleman of very high standing in the colony and long associated with its history, and this is only one of many noble works he has performed on behalf of the people. It is one of those instances where individual merit is crowned by acts which enable the many to reap to universal advantage. I am sure the House will be making a very graceful acknowledgment to those who are benefactors to mankind by passing this Bill. Mr. MONK (Waitemata).—I hope the House will generously make a retrospective exception in the case mentioned by the Minister introducing the Bill. I will not say anything about retrospective legislation in the past, because I think this is a matter in which no party feeling can possibly intrude. The gift of Cornwall Park you may describe as a gift to the people of New Zealand. I cannot consider it as a gift especially to Auckland, although, of course, you cannot remove that gift of land from the precincts of Auckland. Yet it is given to every inhabitant of New Zealand who chooses to visit that spot. It is an historic piece of ground, rich in Maori lore, and while I say I would not refer to any instance of retrospective legislation on the part of the Government as a precedent for what I am asking, because to do that would be to touch a note inharmonious to the spirit prompting the gift mentioned by the Minister in introducing this Bill, but when the Bill is in Committee I hope the House will generously give it a place amongst the retrospective privileges that Parliament can confer. I do not think the matter wants any further remark from me. The House must sympathize with the purpose of this Bill. We have several instances of gifts made by individuals—I do not think merely through the incidence of their death, but purposes and in charitable intent they have contrived during their life accumulations for the purpose of benefiting the people of New Zealand after their death—and perhaps in nearly all in charge of the Bill he did not explain the disposition. Mr. Carroll disposed. not because the incidence or approach of death has made them indifferent to the value of personal possession or wealth, but from a contrived purpose that they should confer benefits on the generations who live after them. Those are matters that we should have a pride and pleasure in supporting, and in doing such things as will encourage their continuation. I do not think, Sir, that the wealthy can in any way do better and perform nobler deeds for mankind than in leaving great bequests for the purpose of founding and fostering those institutions that will confer great benefits in elevating the social and national life of future generations. It is unnecessary to allude to the munificent gifts made by Mr. Carnegie. Perhaps there are many of us who may have differences of opinion as to some of the methods by which his great wealth was accumulated, but I am sure there is no one, Sir, but will feel gratified that the millionaire is making such munificent gifts, and we hope that those gifts themselves will help to bring about the enlightenment that will lead towards the correction of those evils the existence of which we consider have enabled him to accumulate the enormous wealth he possesses. I am socialist myself enough to believe that the time will come when communities and nations, in defence of the public interest and the public welfare—indeed, of social freedom—will make regulations dealing with the enormous wealth that some persons are possessed of in this age—seemingly in many instances through little effort or skill of their own. I believe the time will

come when the amount which at death such people may confer upon each child or relative will be limited, and that the remainder shall be diverted to the benefit of the commonwealth in the creation of educational and eleemosynary endowments. It seems to me, Sir, that it is necessary that some control of the dead hand shall be assumed by the people, in order to neutralise the danger, owing to the enormous accumulations that some men become possessed of. I think it possible that a man possessed of thirty or forty millions-increasing and accumulating by the operations of compound interest through successive generations -- may become a menace to individual liberty in the community to which he belongs. I hope the House will adopt my suggestion, and will agree to pass retrospective legislation applying to the Cornwall Park gift. It may have been modesty on the part of the honourable gentleman introducing this Bill that he does not propose to make it retrospective; but he may be thinking that the House, in its native generosity, would itself introduce a clause making it retrospective, in appreciation of Dr. Campbell's gift. I hope it will be an incentive to other gentlemen possessed of ample means to make, in other parts of the colony, bequests for the welfare and pleasure of the public. Mr. G. W. RUSSELL (Riccarton). - I regret that in the speech made by the Minister in

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which is being repealed by this Bill and the proposals of the Bill now before the House. Under the Charitable Gifts Duties Exemption Act of 1883, which is now being repealed, a very wide definition was given of the term "charitable bequests." The 2nd clause of that Act says, - "The term 'charitable bequests' includes devises, bequests, and legacies of real or personal property respectively of whatever description to public institutions such as libraries, museums, institutions for the promotion of science and art, colleges and schools, or to hospitals, orphan, lunatic, or benevolent asylums, dispensaries." And then the 3rd clause goes on to say that there shall be no duty levied upon any bequest that may be made in connection with any of those institutions. Now, it appears to me that this Bill in one respect has a tendency to limit the operation of the exemption, and in another respect it appears to widen it. Looking at the definition of "public institution," it appears to me that one of the primary objects of this clause is to extend this exemption of duties to Churches. That appears to be a very large part of the proposal. It is very difficult indeed to know how far ecclesiastical institutions are "irrespective of class or creed," and that appears to be an important element in the definition of "public institution" under this clause. As I have said, I do not propose to review the whole of the proposals of the Bill. But what I fail to see is what the distinction is between the law as it exists in the Act of 1883 and the proposals in the Bill now before the House. It may be quite correct, as stated by the Minister in charge of the Bill, that the underlying object of the Bill is to relieve such bequests as that made by Dr. Campbell, of Auckland-a very noble bequest, and one which will be to his eternal credit, and a gift which everybody in the colony must recognise as being a very valuable and noble one. Nobody would wish to see a bequest of that kind brought under the operation of the duties which are in existence; but I think the Minister ought to explain what the essential difference is between the provisions of the Act of 1883 and this Bill. Mr. MASSEY (Franklin). - Sir, I do not think I would have found it necessary on this occasion to say anything if I had not been requested by the senior member for Auckland City (Mr. Napier)-who is unfortunately suffering from a severe cold, and on that account unable to speak -to voice for him the gratitude of the citizens of Auckland for the noble and munificent gift which has lately been handed over to them by ex-Mayor Dr. Campbell, and I accordingly do so. Sir, Auckland has been particularly fortunate in the matter of public benefactors. At this moment quite a long list of names occurs to me. I can think of Costley, Dilworth, McKelvie, Elam, Arrowsmith, Grey, and now last, and perhaps greatest of all, Dr. Campbell, who has, as the crowning act of a long life, handed over to the citizens of Auckland, for themselves and their descendants, wall Park. The names of these men will go down in history as philanthropists in the best and truest sense of the word. Sir, there can be no possible objection to the principle of the Bill, whatever Committee objections

there may be, and I congratulate the Government heartily on its introduction. Mr. LAWRY (Parnell) .- Sir, the honourable member for Riccarton fell into what may perhaps be considered a natural error under the circumstances of the case, and my friend the member for Franklin did the same. I would like to point out to the House and to the country that, whilst this munificent bequest of Dr. Campbell's is primarily for the Auckland citizens, not for Auckland City, it is a gift that is given to the whole colony. It is a recreation-ground for any person who visits Auckland, as it is virtually held in trust for the whole world. I do not see that there can be any possible objection to a Bill of this nature. It appears to me the House should pass it not only unanimously, but with acclamation, because if ever there was a meritorious measure brought before this House it is the Bill I hold in my hand at the present time. I entirely indorse the remarks of the honourable member for Franklin when he said that this munificent gift from Dr. Campbell was the crowning act of a glorious public life. The man's whole life has been characterized by charity. For myself, I do not believe in spurious titles. I believe in democracy pure and simple, under circumstances as they now exist, but I trust that when the coronation honours are distributed the reward of merit will be conferred on Dr. Campbell, and that we shall then no longer know him as Dr. Campbell, but as Sir John Logan Campbell. An Hon. MEMBER .- It would not do him any good. Mr. LAWRY .- No, it would not do him any good, but it would be a recognition of the man's great worth, as great merit is rewarded at the present time. Sir, it has been my pleasure and my privilege to have known Dr. Campbell during the whole period of my colonial life. I have been associated with him in business, and have been in his confidence on many occasions, and I know what he has done without ostentation in the matter of private charity as well as public charity, and I repeat that the whole course of his life has been characterized by charity and by benevolence of the very highest order -- his whole life has been characterized by systematic beneficence. Sir J. G. WARD (Minister for Railways) .- Sir, I would like to say a word with reference to the point that has been raised by the member for Riccarton. The honourable member asked whether the provisions contained in this Bill are likely to interfere with those of the statute he quoted from. Mr. PIRANI .- That statute is repealed by this Bill. Sir J. G. WARD .- Well, I think that in all cases of munificent gifts such as this, provision should be made to insure that they should be exempt from stamp duty, and that, I consider,

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might be done without interfering with the provisions of the other Act. For instance, there is no reason why the amount of stamp duty which under ordinary circumstances would be paid in connection with this gift should not be placed on the estimates in the first instance and returned in the ordinary way. But, that there should be provision made of such a character as to insure that in all cases in future stamp duty should not be leviable, I think the House will agree. I desire, as a member of the House, to add my tribute to the praise the honourable member for Franklin bestowed upon the many citizens who have done so much to add to the prestige of the northern city of Auckland, and I wish that other towns in the colony had philanthropists who would act similarly. I should like, in connection with the gentleman to whom such eulogistic reference has been made, to say that there is no man in the country who deserved better recognition as an old and valued citizen, and by the munificence of his gift which he has conferred upon the colony ; because, although Auckland itself is the more immediate beneficiary, the colony as a whole derives incalculable benefit by such generous acts. It would be, I am sure, to the universal satisfaction of the people throughout the length and breadth of the colony if the services of Dr. Campbell were recognised in a way which would add to the lustre of his name, and which, so long as Auckland exists, will live in the memory of its people. It would afford immense pleasure to the citizens of Auckland, as it would to the colony as a whole. Mr. MEREDITH (Ashley) .- I cordially agree with the principle of the Bill. Every encouragement ought to be given to benevolent and public-spirited persons who are in the possession of wealth to set it apart for the country's good, and all that has been said by the honourable

gentleman who has just sat down and the member for Franklin I cordially agree with. One point raised by the member for Riccarton is worthy the attention of the honourable gentleman in charge of the Bill, and that is that the term "public institution " it appears to me is not sufficiently defined. I think the clause should be amended by adding, after "educational purpose," "duly elected as a governing body." If public bodies having control of endowments were duly elected and in touch with the people, it would be a guarantee that the intention of the bequest would be carried into effect. I have only to remind the House that endowments in other countries-for example, Italy-immediately after the war of unification, in which the celebrated General Garibaldi figured so conspicuously, the endowments in connection with religious institutions were taken away to the extent of more than six millions and devoted to the benefit of the State under public control ; and just recently a Bill has passed the French Parliament disendowing certain institutions, and devoting their revenues and endowments to distinctly public purposes. I think the honourable gentleman in charge would be wise to remove all suspicion Sir J. G. Ward or doubt respecting the Bill by moving in the direction indicated. I hope the House will endeavour to bear in mind the point raised by the member for Riccarton, and which I have endeavoured to emphasize a little further. It is quite true that Auckland has reaped a rich harvest from public-spirited men who came in the early days to reside in that part of the colony, and who have acquired wealth as the result of industry, application, and foresight. But public-spirited men are not confined to Auckland. We have had them in Canterbury, and Canterbury people are considerably indebted to persons whose names I could mention -honourable names of those who have endeared themselves to the people on account of their public-spirited acts in placing property at the disposal of public bodies for the benefit of the public. Mr. MILLS (Minister of Trade and Customs) .- I cannot allow this opportunity to pass without testifying what I think of the generous and noble-hearted man who has given such a valuable gift to the residents of Auckland and the Colony of New Zealand. I think strangers are particularly impressed on visiting Auckland with what has been done for the place by so many other public-spirited men, because it is so much more than has been done in other parts of the colony ; and I am inclined to envy the town which has had that class of men residing there so long, and who have left such valuable records behind them for the benefit of posterity. 1 happened to be in Auckland when the gift was made, and was present when the key of that grand park was handed over, and I really felt that nothing could be more patriotic than the way in which that large area of land was dedicated to the public by that venerable old pioneer, Dr. Campbell. I am sure that he has the thanks of the whole of the people of New Zealand for his noble gift. I know that there have been men in other parts of the colony who have done their share in making dedications for the benefit of posterity. In my own electorate the late Mr. Carter conveyed a piece of land to the governors, and handed it over to them for a new high school, and I have no doubt this measure will be the means of inducing others to follow the good example set by Dr. Campbell and other generous old settlers with profit to the people of the colony. I have much pleasure in supporting the Bill. Mr. BOLLARD (Eden) .-- I should like to say a few words before this Bill goes to its second reading. I feel, as an Auckland man, very much disappointed that this Bill does not refer especially to the Cornwall Park; but I have the assurance of the Minister that a sum would be placed on the estimates for the purpose of recouping the amount of duty paid in connection with the transference of that property. But this Bill is not such a simple measure as it appears at first sight. It is a Bill brought in for the express purpose of securing to the Government certain duties that may be paid and have to be paid in future. It is not so long ago since another Auckland gentleman made a large bequest to the people,

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comprising the whole of the Dilworth Estate. Then the Government put the trustees to a great deal of trouble and expense. They had to find some \$25,000 in connection with that estate as duty; but the trustees appealed to the Privy Council, and the Government has to refund the money. Now, this Bill is evi-

dently brought in for the express purpose of enabling the Government to evade a re- fund of the duty in similar cases, because I notice here the words "irrespective of class or creed " have been inserted. I see no good reason why the Cornwall Park should not have been expressly referred to in the Bill. It is a noble gift given by an old colonist to the people of New Zealand, and more especially to the people of Auckland. Its present value is about #100,000, and probably in fifty or, say, a hundred years it will be the centre of a large city, and be a property of enormous value. I can see no good reason why the Government should not have provided for a remission of the duty in this little Bill. With regard to the remark made by the Minister as to the necessity for special legislation, I do not see what difference it would make if this particular property was specially mentioned here. The evident intention of the Bill is to prevent parties in the future from compelling the Government to refund certain duties, as happened in the Dilworth case. I think it would be very much safer for the trustees in the Cornwall Estate to have this Bill made to specially apply to that gift. If the duty has to be paid in the first instance, and then to be re- funded, the trustees will have to get the money to do this from some outside source, for they have no revenue available for the purpose. It would be much better if the Bill were amended in Committee so as to include Cornwall Park amongst the exemptions from duty. I hope the Minister will see his way to do this. Mr. CARROLL (Native Minister) .- I regret that the honourable gentleman who last spoke should have been rather sceptical as to the intentions of the Government with regard to this Bill. I can assure him that it is not the intention of the Government to exempt itself from any of its liabilities. As to the proposal to make this Bill refer specially to the Cornwall Park gift, all that I can say is that the Committee can settle that point itself. On the broad ground I consider it is not desirable to have retrospective legislation, especially in matters of this kind ; but if the Committee insist on any special clause being put into the Bill to deal with the Cornwall Park gift I should not oppose it. But I think the other course- namely, that a sum of money be placed on the estimates to cover the amount of the stamp duty, is preferable. As to the point raised by the member for Riccarton, I can assure him that this Bill does not in any way restrict the range of the main Act. Mr. PIRANI .- But it does that of the 1883 Act. Mr. CARROLL .- But clause 2 of the main Act, with a clearer interpretation, is brought forward in this Bill. VOL. CXVII .- 29. Mr. PIRANI .- But in one way only. Mr. CARROLL .- It has been declared by our Supreme Court Judges that the present Act is unworkable so far as clause 2 is concerned ; this Bill is to make it workable. Take the case of the Dilworth Estate, referred to by the honourable member for Eden. All the Judges of the Supreme Court said that we could claim duty on that bequest, but the Privy Council said we could not, and decided against us. Now, we do not want the law to be so uncertain ; we want it to be clear and beyond doubt. This Bill proposes to remove all such doubts, and it is very desirable that this should be done to prevent complications in the future. However, a good deal can be cleared up in a Bill like this when it gets into Committee. I can add very little to what has already been said by honourable gentlemen in their remarks with regard to the munificent and noble act of Dr. Campbell. I can only say that any country would be rich indeed if it had in its possession men of his high character and generous instincts. Bill read a second time. # HOSPITAL NURSES REGISTRATION BILL. On the question That this Bill be committed, Mr. SPEAKER drew attention to two clauses -4 and 7-of the Bill that were read on the previous evening. These clauses were underlined by the Legislative Council to show that they formed no part of the Bill, as they imposed fees and fines which it was not within their power to put in the Bill. Following the precedent established in 1898, he (Mr. Speaker) suggested that these clauses, which involved the payment of fees and penalties, should be approved by Committee of the Whole before being submitted to the Committee on the Bill. Clauses 4 and 7 of the Bill referred to Committee of the Whole, and approved. Money clauses reported, and Bill, with clauses approved, referred to Committee on the Bill. # IN COMMITTEE. Clause 2. - Interpretation. Mr. HALL -JONES (Minister for Public Works) moved to insert, at the end of the definition of "hospital," the words " and includes such other hospitals, the proprietors of which consent to such hospitals being open to

inspec- tion under 'The Hospitals and Charitable Institutions Act, 1885,' as may be approved by the Governor in Council." Mr. PIRANI moved to report progress. Motion to report progress negatived. Amendment agreed to, and clause as amended agreed to. Clause 4 .- "(1.) Every person who, on the first day of January, one thousand nine hundred and two, holds a certificate of three consecutive years' training as a nurse in a hospital, and proves that during her training she received systematic instruction in theoretical and prac- tical nursing from the medical officer and matron (the matron herself being a certificated nurse), is entitled to registration on payment of a fee of ten shillings, and on application to the

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June, one thousand nine hundred and two. "(2.) Every person who, on the passing of this Act, has had four consecutive years' train- ing as a nurse in a hospital, and passes an examination in theoretical and practical nurs- ing by examiners appointed by the Governor under this Act, is entitled to registration on payment of a fee of one pound towards the cost of examination. "(3.) From and after the first day of January, one thousand nine hundred and two, every person who has attained the age of twenty- three years, and is certified as having had three years' training as a nurse in a hospital, to- gether with systematic instruction in theo- retical and practical nursing from the medical officer and the matron of that hospital (the matron herself being a certificated nurse), and who passes an examination from time to time held by examiners appointed under this Act, is entitled to registration on payment of a fee of one pound. "(4.) Every person is entitled to registration, on payment of a fee of one pound, who holds a certificate from the medical officer or autho- rities of any hospital out of New Zealand recognised by the Minister under any regula- tions under this Act, if equivalent in training and examination to what is required from New Zealand nurses under this Act.' Mr. HALL - JONES (Minister for Public Works) moved the following amendment : Omit "first day of January, one thousand nine hundred and two," and substitute "on the passing of this Act holds a certificate of train- ing from the Auckland, Wellington, Christ- church, or Dunedin Hospital, and every person who then." Amendment to omit the words agreed to. Mr. R. MCKENZIE (Motueka) moved to re- port progress. Mr. HALL-JONES, by leave, moved to in- sert, in place of his former amendment, " on the coming into operation of this Act." Motion to report progress withdrawn. Amendment agreed to. Mr. PIRANI (Palmerston) moved to insert, after "proves," "to the satisfaction of the Registrar." Amendment agreed to. Mr. FISHER (Wellington City) moved to in- sert, after " received," the words " in a public or private hospital." The Committee divided. AYES, 9. Atkinson Mckenzie, R. Tellers. l'raser, A. L. D. O'Meara Fisher Hall Parata. Hornsby. Lawry NOES, 42. Allen, E. G. Carroll Graham Allen, J. Collins Hall-Jones Arnold Duncan Hanan Barclay Ell Hardy Bennet Flatman Haselden Bollard Fowlds Herries Baddo Gilfedder Hutcheson Lethbridge Morrison Thomson, J. W. Pirani Massey Willis Rhodes Witheford. McGowan McGuire Russell, W. R. Tellers. Smith, G. J. McNab Carncross Meredith Palmer. Tanner Millar Majority against, 33. Amendment negatived. Mr. R. MCKENZIE (Motueka) moved to omit the words, "the matron herself being a certificated nurse." The Committee divided on the question, "That the words proposed to be omitted stand part of the question.' AYES, 32. Gilfedder Mills Allen, E. G. Arnold Graham Morrison Bollard Hall-Jones Parata Haselden Buddo Rhodes Russell, W. R. Carncross Hutcheson Laurenson Carroll Tanner Thomson, J. W. Duncan Massey Ell McGowan Witheford. Flatman McGuire Tellers. Allen, J. McNab Fowlds Fraser, A. L. D. Millar Meredith. NOES, 17. Barclay Lang Pirani Fisher Thompson, R. Lawry Hall Lethbridge Willis. Hanan Monk Tellers. Hardy O'Meara Hornsby Herries Palmer . Mckenzie, R. Majority for, 15. Amendment negatived. Mr. HORNSBY (Wairarapa) moved, That progress be reported. Motion negatived. Mr. GRAHAM (Nelson City) moved to add the following proviso to subsection (1) :- " Provided that nurses who are absent from the colony in the Imperial service shall be allowed to apply under this subsection at any time within three years of the coming into operation of this Act." Proviso added. Mr. HERRIES (Bay of Plenty) moved, in the first line of subsection (2), to strike out the word "four," with a view to substituting "three " in lieu thereof. Amendment agreed to. Mr.

HALL-JONES moved, in subsection (3), to omit the words " first day of January, one thousand nine hundred and two," with a view to substituting the following : " coming into operation of this Act." Amendment agreed to. Mr. HALL-JONES moved, in subsection (3), the excision of the words "the matron her- self being a certificated nurse." Words struck out, and clause as amended agreed to. Clause 5 .- " A certificate given after the pass- ing of this Act by the medical officer of any

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hospital shall not entitle the holder thereof to registration unless a course of at least twenty- five lectures has been delivered in that hospital in each of the three years' residence therein of the holder of the certificate, and unless the matron of the hospital is herself a registered nurse." Mr. HALL - JONES moved, That the word "twenty-five " be struck out, with a view to sub- stituting the word "twelve." Mr. HUTCHESON (Wellington City) moved to report progress. Progress reported, and leave given to sit again. # FINANCIAL STATEMENT. [For all Tables and Returns referred to in the State- ment, see Appendix, B .- 6.] The House having resolved itself into Com- mittee of Supply, Mr. SEDDON (Colonial Treasurer) said,- Mr. Guinness, - The people, and especially honourable members, are naturally anxious at any time to have the Financial Statement, and this, my sixth Budget, is, owing to various causes, awaited with more than passing in- terest. In this, as in other preceding State- ments, I will without reservation endeavour to place the finances of the colony before members in such a way that all may understand the National Account. The revenue received last year exceeded my most sanguine expectations. Notwithstanding the remissions granted in Customs duties, rail- way freights, passenger-fares, and the reduction in postal rates by giving the penny postage, there was a pleasant surprise in store, for, after meeting all current obligations, there was a balance on the credit side amounting to £532,564. The pessimistic criticism of our finance during the last few weeks has almost verged upon the ludicrous, and thereby a feeling has been raised in the public mind that additional. taxation was imperative. The financial hotch- potch created by some of the critics in mixing the ordinary revenue with the loan account proves gross ignorance, and the necessity for a better education in respect to public finance ; whilst the great ingenuity and industry dis- played in endeavouring to prove that this year the balance must be on the wrong side of the ledger may be appreciated by the few who desired such a contingency. I am glad to say that the few must be disappointed and the many pleased, for it is certain that the revenue this year more than meets the expenditure, and that there will be no deficit. It has been stated in several newspapers that it is proposed to meet the estimated deficiency in part by an additional land-tax, and also by some slight rearrangement of the Customs. It was further alleged that some stringency has occurred in the finances through the claims for old-age pensions being much more numerous than was anticipated, and our detractors have even gone the length of cabling this nonsense to the London journals. The credence given to the imagination of the penny-a-liner should not be found fault with by me, for, with a patriotism that does them infinite credit - which as Colonial Treasurer I very much ap- preciate-merchants have risen to the occasion, cleared kerosene, sugar, and tea, with the result that the Customs revenue this month is buoyant in the extreme, and contrasts very favourably with the same month of last year. The only possible foundation that could give rise to what appeared in certain papers was a statement made by me warning a deputation of members and other gentlemen against pressing for an excessive public works expenditure, thereby entailing borrowing and squandering. Incidentally I stated that the revenue returns, as furnished by the departments, did not warrant the suggested expenditure, and that this caused me some anxiety. Again, in respect to the increase of the graduated land-tax, I stated in the House some weeks ago that, if the Government was to keep the pledge given last year in granting the reduction of {d. in the pound on the mort- gage-tax, the graduated tax on land would re- quire to be increased so as to yield an amount equal to that conceded by way of reduced mortgage-tax ; and, after carefully reviewing the position, I now find that the views ex- pressed have been verified, for a

reduction in revenue to the extent of \$25,000 could not prudently be granted unless otherwise recouped. The announcement that revenue cannot be given away without a necessary recoupment will very naturally and properly lead to the conclusion that revenue and expenditure are fairly evenly balanced. This conclusion is correct ; but it is owing to the inclusion of nearly £120,000 of abnormal and non-recurring expenditure this year, and to the increase in the Education and Technical Education votes, which are in excess of those of last year by no less than £67,000; also, to an increase in the vote for the Colonial Secretary's Department, which exceeds the vote of last year by £69,300, caused by extraordinary services. The vote for Defence, including the capitation payable to our Volunteers, is also largely increased, owing to the number of Volunteer corps being more than doubled. Even with these exceptional demands upon our resources there will be sufficient to meet every requirement, and, at the risk of disappointing the pessimistic alarmists, I am able to announce that there will be no deficit, but a reasonable surplus. It is well, however, that I should, in respect to the expenditure, urge the absolute necessity for prudence and economy, for, although the revenue is buoyant and increasing, yet, owing to reductions in the Customs tariff, the concession of penny postage, remissions in railway charges, and other concessions, there is this year, as compared with last year, a decrease of only £9,500 ; correspondingly there should be a jealously guarded expenditure, for a restricted population can only bear a limited and reasonable impost of taxation. Luckily for this colony all our eggs are not in one basket, and the curtailed spending-power owing to the low price of wool is counter.

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balanced to some extent by the prices ranging for other of our staple products. With a surplus of over half a million last year, and the continued favourable revenue coming in this year, there seemed every prospect that the desire of Ministers to grant concession of taxation, and reduced rates on products carried on our railways, would be consummated ; but, in the face of the necessarily increased expenditure this year, the more prudent course is to defer any further reduction in revenue to a more favourable opportunity, and the national expenditure should be cut down to the lowest limit consistent with efficiency after providing for the necessary requirements. The eager and pressing desire for the rapid construction of public works and conveniences has forced borrowing up to a limit beyond which it would not be safe to go. There need be no curtailment of expenditure in respect to obtaining lands for settlement or for roading back blocks and Crown land, which so materially assists in furthering the settlement of the people on the land, or in respect to advancing moneys to settlers, or in pushing on the North Island Main Trunk and other important railways, and in otherwise developing, within reasonable limits, the resources of our colony, for this means increasing the output of products and exports, and tends to promote an increased population, which the colony badly needs. In respect to the expenditure on several classes of public works, district railways, and especially buildings and works which are more a matter of convenience than of necessity, prudence demands that there should be a reduction in the expenditure thereon, especially seeing that our population is so slowly increasing, for it should be borne in mind that the increased ratio of population is much below that of the increased ordinary expenditure. For every million borrowed and expended on non-revenue-producing works and objects, an annual charge of about 10d. a head is entailed upon every European man, woman, and child in the colony. Coming to the demands upon the consolidated revenue, the several services of the colony have necessarily increased, and the strictest economy is necessary ; for if ever the time arrives when increased taxation is required to meet the ordinary expenditure, so surely will reductions in salaries eventuate. To avoid the contingency, and the injustice which arose in the past, it is well for those having responsibility to do their utmost to keep down expenditure. In the Budget last year I stated that hereafter the aid to Public Works Fund from the surplus in the Consolidated Fund would have to be partially, if not wholly, abandoned. The Public Works requirements of this year are, however, so large that I am compelled to use \$500,000 of the surplus, and

that amount will be transferred accordingly. I regret again to have to state that, from various causes well known to members, the money market in London continues to be unfavourable to floating loans, and we have had recourse to raising \$500,000 locally on short- Mr. Seddon dated debentures bearing 4 per cent. interest. Full particulars of the floating of this local loan will be given. Recently a paragraph appeared in the Press something to this effect : "The needs of the Treasury were so urgent that £100,000 was borrowed from a leading life assurance society at 4 per cent., with a condition that the interest would be paid at head office in Sydney." The facts are that the prospectus of the \$500,000 local loan, raised in April last, provided for interest being made payable in New Zealand, Australia, and London. Some time after this loan had been closed the society in question asked the Government if it would accept an investment of \$100,000; and, seeing that at the time we were selling debentures openly over the counter on terms as to interest similar to those above referred to, we naturally obliged the society and accepted their money. Other institutions and private individuals have also been glad to avail themselves of this further opportunity to invest their money in short- currency security carrying a fair rate of interest. The war in South Africa still continues, and the large Imperial loans and other demands upon the London money-market leads me to the conclusion that it will be some little time ere any loan could with advantage be floated in the Mother-country. It becomes necessary, therefore, that a large proportion of the amount required and authorised should be raised locally : and, this being the case, there should be a careful public works expenditure until a favourable opportunity for raising the money in London arrives. In accordance with the provisions of the Public Revenues Act, statements have already been published in the New Zealand Gazette showing the receipts and expenditure in the Consolidated Revenue and Public Works and other Accounts. As upon former occasions, tables will be attached to my Budget giving a variety of information concerning the transactions of the last financial year. Having given a general summary of the situation, which, viewed in the light of the elasticity of our resources, is, if anything, on the side of caution, I will now proceed to give the details of the receipts and expenditure of last year.

FINANCES OF 1900-1901. # Revenue. The actual revenue for the past financial year reached \$5,852,705, to which has to be added \$52,800 derived from the proceeds of sale of debentures for sinking fund accretions, and a small sum of \$1,411 recovered in connection with expenditure of the previous year. These amounts reach the large total of \$5,906,916, or not very short of six millions of money, and represent the largest volume of receipts into the colonial Exchequer since its foundation. Compared with the revenue proper of the previous year (1899-1900), which amounted to \$5,580,385, there is an excess of £272,320, of which \$73,295 was derived from Customs, \$43,036 from Stamps, \$45,936 from the Land-

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and Income-tax, £99,028 from Railways. Other items of revenue produced a net increase of £11,025. These figures conclusively prove the wonderful progress the colony has made without any undue pressure upon the taxpayer to contribute to its revenue. Turning now to a comparison of results between the estimated and the actual revenue for the year ended 31st March last, I find that my estimate has been exceeded by the sum of \$429,516. Under all the heads of revenue except one the estimates have been exceeded. The following are the figures : Under Customs, \$157,861; Stamps, \$48,935 ; Land- and Income-tax. £43,393 : Beer Duty, \$2,170; Railways, £146,241 ; Marine, £3,353 ; Miscellaneous, £2,411 ; Territorial, £30,203 ; and Recoveries, £1,411. Under the head of Registration and other Fees the revenue was £6,462 less than was expected. A word or two of explanation of these increases may be necessary. First, as to the Customs revenue- which I have mentioned as being \$73,295 more than the previous year, and \$157,861 in excess of my estimate -- I may remark that in my estimate for the year I took off nearly \$85,000 from the actual receipts of the previous year, so as to provide against the anticipated loss arising out of concessions which I had stated in my Budget would probably reach £157,000. In spite, however, of

the reduction of duty made on leading lines of goods, there has been an extraordinary clearing of other lines untouched by tariff alterations, which have resulted in large increases of revenue. Take, for instance, duty on spirits, increased by £22,800 ; tobacco, £15,800; cigars and cigar-ettes, £9,100 ; sugar, £3,500 ; ad valorem goods and other items, \$98,000. These items, which are mainly luxuries, may be taken as clearly demonstrating the increased earning-power of our colonists, and the prosperity which arises therefrom. It is quite likely that the visit of their Royal Highnesses the Duke and Duchess of Cornwall and York to some extent inflated the figures connected with the ad valorem duties. At all the gatherings to welcome our future King, I was impressed with the appearance of thorough content and prosperity which was exhibited by the vast crowds assembled to do honour to the Duke and his amiable wife the Duchess. Last year the stamp revenue increase of nearly \$49,000 over the estimate was caused by anticipating a reduction of \$20,000 from the penny-postage concession which in reality did not take place, the sales of the new stamps making good any loss arising from the reduced rate, while the dredging " boom " is, I think, responsible for a large increase in the sale of adhesive stamps. Impressed stamps sales, and the bank composition, were considerably increased over the estimates. The concession made by my worthy colleague the Postmaster - General has given universal satisfaction ; and I feel sure the loss to the revenue by the adoption of an universal penny postage will be rapidly made good by increased correspondence. Concerning the increase over the estimate of mention that the land-tax was within .£500 of my expectations, and the income-tax exceeded them by nearly £43,000. The Railways revenue has produced a very handsome surplus over my colleague's estimate, which was the exceedingly high one of £1,574,400. The passenger traffic and the goods carried continue to be maintained, and afford a sure barometer of the substantial prosperity of our colonists and of the development of our industries. The increase over the estimate of £30,000 in Territorial Revenue arises from land sales for cash, £18,000; and from rents of pastoral runs and miscellaneous items altogether amounting to £12,000. With regard to the item of £6,400 over-estimated under Registration and other Fees, I find that I was over sanguine as to the fees to be received under " The Government Valuation of Land Act, 1896 " : these fell short of my estimate by about £6,000. # Expenditure. The actual expenditure during 1900-1901 was £5,479,703. Similar expenditure during the preceding year totalled £5,140,127, showing an increased cost of £339,576 during last year. The permanent appropriations are answerable for nearly \$50,000, of which the Old-age Pensions contributed an extra cost of £39,500, and Subsidies to Local Bodies £7,500. With increased revenue, increased expenditure may be expected, and it is therefore not surprising to find that the departmental expenditure was in excess of that of the previous year by £289,670 under the annual appropriations. The increased expenditure on the Railways amounted to £105,500 ; on Defence, £64,400. The Post and Telegraph services cost an extra £27,700, and the Miscellaneous vote of the Colonial Secretary's Department is mainly answerable for the increased expenditure of £18,500 in Class II., Colonial Secretary. It may, I think, be broadly stated that in the other departments of the State the expenditure has been increased so as to keep in line with the increased requirements of our colonists, and to provide for the expenditure which our liberal legislation sanctions for the good of the people, be they rich or poor. Comparing the actual expenditure of the year with the estimates, members will find from the table appended to my Budget that the expenditure was less than estimated in some directions to the extent of £206,940, while in others it exceeded the estimate by £113,350. Of the latter amount the Railways were answerable for £75,500, and The net Services not provided for, £25,500. saving in the expenditure, as compared with the estimate, was £93,590. Result. The revenue for the year was £5,906,916, and the ordinary expenditure £5,479,703, leaving a balance of £427,213. Out of the balance brought forward from the previous year (1899-1900) of £605,351, a transfer of \$500,000 was made to the Public Works Fund, leaving £105,351 to be

producing at the close of the year a balance amounting to £532,564, which I indicated in my introductory remarks. I feel sure honour- able members will join with me in congratulating the colony upon such a successful result. # THE PUBLIC WORKS FUND. The transactions on both sides of the account of the Public Works Fund were largely increased last year. The ordinary expenditure exceeded that of the previous year by £315,000, and necessarily extra funds had to be found. To provide for the expenditure, the balance of the loan of 1899, amounting to \$700,000, was raised, also \$200,000 under the Act of last session. The total figures, as shown in the accounts which are appended, are, receipts, £1,901,787, The balance and expenditure, £1,809,021. brought forward was \$139,749, and the balance at the end of the past year amounted to £232,515. LOANS TO LOCAL BODIES ACCOUNT. The balance at credit of the Loans to Local Bodies Account on 31st March, 1900, was £20,593. Debentures for £176,000 were created and issued during the past year, and refunds of unspent balances of grants, together with a payment made in reduction of the inscribed debt, were received, amounting in all to £7,726. Pay- ments on account of loans were made during the year: to local bodies, £138,956, and to- wards opening up blocks of land for settlement, £37,390; leaving at the end of last year a balance of £27,973 to the credit of the account. Up to the 31st March last, the total amount of debentures created and issued and carried into this account was £1,530,900, and the total disbursements have been : to local bodies, £1,138,497; to Lands and Survey Department, towards opening up blocks of land for settle- ment, £282,356; and to Public Works Fund, £89,800, in exchange for debentures under "The Roads and Bridges Construction Act, 1882." The business connected with the granting of loans to local bodies still continues to considerably increase, the payments last year being more than double those of the preceding year, and the largest amount that has been advanced since the commencement of the Act. This is no doubt attributable to the fact that late legis- lation has granted greater facilities whereby local bodies can obtain assistance. "The Go- vernment Loans to Local Bodies Act Amend- ment Act, 1898," which was specially framed for the purposes of providing for irrigation, water-supply, &c., has been largely availed of, and in consequence there has been correspond- ing increase in the amount of loans made. The Public Health Act and the Slaughtering and Inspection Act of last session permit of loans being granted for sanitary works, and for the erection of abattoirs. Applications under these Acts are now being received. By "The Government Loans to Local Bodies Act Amendment Act, 1900," the rate of interest on loans was reduced from 5 to 4} per cent. per annum ; local bodies also being able to readjust Mr Seddon 34 per cent. per annum-upon correspondingly extending the currency of their loans. Of the total inscribed debt of local bodies, amounting to £1,222,234, the following figures will show what a great advantage the Amend- ment Acts of 1899 and 1900 have proved to local bodies, and to what extent they have availed themselves of the opportunity of re- ducing their rate of interest :- Amount of loans reduced to- 874,443 4} per cent. 12,634 4 per cent. . . . 3} per cent. 335,157 . . £1,222,234 I am pleased to be enabled to report that the payments of the half-yearly instalments of in- terest on the inscribed debts continue to be fully and punctually paid. ## LAND-TAX AND INCOME-TAX. The proceeds of the land-tax only exceeded those of the preceding year by about \$1,000, the department having been unable from a defect in the Valuation Act to place the increased valua- tions upon the rolls for last year. The income- tax receipts, however, brought up the revenue from direct taxation to an amount which it has never before reached, affording evidence of un- exampled prosperity in the colony generally, as well as careful departmental administration. When I inform honourable members that during the last nine years the income-tax has been in force the number of taxpayers has more than doubled, and the revenue has increased by £106,000 a year, the result must be considered satisfactory. A careful revision of the land-values of the colony is now in progress, but it will take some time yet to complete this work. The result so far is a net increase of the capital value of £8,390,000, and of the unimproved value of £6,375,000. The gain to the land tax revenue this year I estimate at £10,000, and I see no reason, notwithstanding the unfortunately

low price of wool, why the land-tax should not increase year by year in sympathy with other heads of revenue until, at all events, the whole revision of the valuations has been completed. # THE LAND FOR SETTLEMENTS ACCOUNT. The balance brought forward amounted to £53,389, and by the sale of debentures under "The Land for Settlements Consolidation Act, 1900," funds were obtained to the amount of £219,000. Rents and other moneys came into the account to the extent of \$72,796. On the other side the purchase-money for the acquire- ment of estates totalled #186,621, interest on debentures amounted to \$50,910, and expenses to \$14,305. The balance of the account at the close of the year was \$93,349. The purchase of land for close settlement is being vigorously pushed forward, and it is pleasing to know that the estates which have been hitherto purchased have been satisfactorily settled. During the last year approximately

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177 farms were provided and about 170 work- men's homes. The following table gives the names of the provincial districts in which the land during the year has been purchased, the acreage, and the prices paid therefor :- Price. Acres. Hawke's Bay, - £ Hatuma 26,350 141,618 Mangatoro 87,975 19,550 . . Wellington, - Langdale 9,406 30,669 .. Mangawhata 1,226 16,129 .. 423 Maungaraki 3,000 Epuni 103 9,146 Marlborough, - 8,250 3,600 Waipapa Canterbury, - 15,750 Lyndon 4,243 .. 3,864 28,093 Kohika .. Raincliff 2,424 745 2,858 Taranaki 32 981 Pukaka 39 . . . 300 Mrs. Delargy 100 . . Otago, - 1,152 3,000 Earnsclough . Total £350,193 70,833 # THE PUBLIC DEBT. The gross public debt on the 31st March, 1900, was £47,874,452; and on the 31st March, 1901, it was £49,591,245, or an increase of £1,716,793 for the year. The net public debt on the 31st March last was £48,557,751, showing £1,627,675 of net increase for the debt during the year. Analysing the above-stated increase, I find that, as I have before mentioned, £900,000 of new loan-money has been raised for the Public Works Fund, consisting of £700,000 under " The Aid to Public Works and Land Settle- ment Act, 1899," and #200,000 under the similar loan Act of last session. The require ments of the Advances to Settlers Office ne- cessitated our raising £380,000; and for the purchase of estates for close settlement we obtained £219,000. To enable grants to be made to local authorities £176,000 had to be borrowed, and further sums of £1,781 and \$2,000 for dairy industries and the Govern- ment Accident Insurance respectively. £17,902 was deposited in New Zealand Consols, and \$52,800, representing debentures for accretions of sinking funds, were disposed of, as also £18,000 of 3-per-cent. inscribed stock. On the other hand, £50,400 5-per-cent. debentures were paid off under "The Consolidated Loan Act, 1867," and \$290 under "The Naval and Military Settlers' and Volunteers' Land Act, 1892." With respect to the interest upon nearly £800,000 of the moneys raised last year, it is right to mention that no burden will be im- posed upon the taxpayers, such interest being recouped according to the conditions under which the loans have been applied, so that these loans are virtually self-supporting. With regard to the balance, it is impossible to assist our settlers in developing our country without providing them with roads and bridges, and to provide for such expenditure it is essential that moneys shall be found out of loan. By the same means only can our railways system be extended, and effect be given to the wishes of honourable members and the people with regard to a vigorous prosecution towards the completion of our main lines. During the year £509,500 of debentures under "The Government Loans to Local Bodies Act, 1886," fell due, and were renewed under the provisions of "The Consolidated Stock Act, 1884." The Bank of New Zealand having paid \$500,000, the value of its preferred shares, that amount was handed over to the Public Trustee, and by him invested in a like amount of deben- tures under "The Aid to Public Works and Land Settlement Act, 1899," held at the time by the Bank of New Zealand as security for advances made under the said loan. I observe that only two parcels of debentures will have to be provided for during the current year-namely, £250,000 under "The Aid to Public Works and Land Settlement Act, 1896," and £300,000 under the Land for Settlements Acts, 1894 and 1897. The former parcel is held by the Post Office, and

can be renewed, and the latter was a London issue convertible into 3-per-cent. in- scribed stock. OUR RECENT \$500,000 LOAN FLOTATION. Our financial advisers in London having re- ported unfavourably of the state of the money- market, and that a very low figure would be obtained for a 3-per-cent. loan, it was deter- I am pleased mined to tap our own resources. to say the result more than justified this action, as the recent flotation proved a complete success. The amount to be subscribed was \$500,000, authorised by "The Aid to Public Works and Land Settlement Act, 1900." It was decided to make the issue at 4 per cent., with the price fixed at par. The loan was freely advertised throughout the colony, and also in Melbourne and Sydney. Tenders were opened on the 23rd April last, and it was found that the amount applied for was £861,800, represented by 126 tenders. The average price offered was £100 1s. 6d., the highest tender being at £102; and the lowest £100 Os. 6d. 112 tenders re- ceived allotment-62 over par, and 50 at par. The average price over par yielded £100 68. 7d. The allotment was made so as to embrace the largest number of small tenders and to en. courage bona fide investors. No less than 98 tenders have been accepted for sums of £5,000 and under-namely, 19 tenders for £200 and under, 9 from £200 to £400, 25 from £400 to £600, 5 from £600 to £800, 15 from £800 to £1,000, and 25 from £1,000 to £5,000. The remaining 14 tenders were in sums from £8,000 to £100,000. Australia received 29 allotments, in sums ranging from £200 to £50,000, and, with the exception of one tender, at premiums of from 1s. to 16s. over par. The offer to make interest and principal payable either in

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duced offers for investment of moneys which we should otherwise not have received, and the action has been favourably commented on in leading financial journals. No fees for brokerage were paid ; the expenses have been very light, rather less than & per cent., con- sisting only of advertising, and commission to the bank for transmission of money from Australia to Wellington. An allowance at the rate of 1} per cent. per annum was made to tenderers who chose to pay their final instal- ment before the due date. £43,312 was for- warded as a deposit by would-be investors, and of this sum £18,035 was returned to tenderers who were unsuccessful. Sixty-nine investors availed themselves of the discount allowed on payments made in full prior to due date of last in- stalment, and £345,459 was received under this condition, and £223 was allowed for discount. On the 7th May last, the date of the first instal- ment, £61,605 was received ; and on the date of the last instalment (4th June), \$67,949 was paid in to complete the half-million subscribed. To complete the security required by the in- vestors, 1,658 debentures have been printed. The local emission has proved a very great suc- cess, and, although the rate is high in compari- son with late issues, the expenses have been so small that I think we may consider we have got our money nearly, if not quite, as cheaply as, under present conditions, a 3-per-cent. loan could have been obtained. The currency is short, running only until 1st April, 1904. Mr. Seddon 1900-1901. There has been considerable adverse criti- cism, and assertions have been made to the effect that there has been undue increase in the expenditure during the last ten years. It is quite true that there has been a largely in- creased expenditure, and that necessarily so, for we have a largely increased population, and also a greatly increased revenue. We have now also in existence departments of State which were in 1891 unknown, and many of them un- thought-of at the time. Total Expenditure and Revenue. Total Expenditure. Total Expenditure. 1800-91. 1900-01. £4,291,215 £5,479,703 Total Revenue. Total Revenue. 1890-91. 1900-01. £4,158,774 £5,852,706 Total Increased Expenditure. 1900-1901. £1,188,488 Total Increased Revenue. 1900-01. £1,693,932 Turning to the revenue-earning departments of State, it will be seen from the following table (compiled from returns furnished by the several departments concerned) that, whilst there has been an increased expenditure, there have also been increased earnings and increased profits :-

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£605,535 \$168,512 \$576,385 1900-01. 1900-01. 1900-01. . Increased Expenditure. Increased

Expenditure. Increased Expenditure. £3 5s. 9d., opened and unopened. £3 5s. 9d., opened and unopened. \$427,144 €155,079 £395,687 Percentage on cost, 1890-91, £2 18s. 11d. Percentage on cost, 1900-01, £3 9s. 8d., opened lines. Percentage on cost, 1895, £2 14s. 6d. Percentage on cost, 1900-01, £3 9s. 8d., opened lines. Government Railways when taken over from Commissioners. Revenue and Expenditure, 1891-1901. Government Railways Department. Postal and Telegraph Department. £1,727,236 £1,727,236 Revenue. £503,181 Earnings. Earnings. 1900-01. 1901-01. 1900-01. Expenditure. Expenditure. Expenditure. £1,127,847 £1,127,847 £2 14s. 10d. #416,364 £2 11s. 10d. £334,669 £1,121,701 £1,150,851 Revenue. Earnings. Earnings. 1800-91. 1890-91. 1895\ . . Expenditure. Expenditure. Expenditure. £700,703 £732,160 £261,285 £111,044 ±653,655 \$227,159 \$80,787 1900-01. 1900-01. 1900-01. 1900-01. Increased Expenditure. Decreased Expenditure. . . -!- Increased Expenditure. Increased Expenditure. £1,266 €11,950 \$632 £44,951 Land sold for cash, 1890-91, £111,157. Land sold for cash, 1900-01, £78,794. £2,180,862 £431,338 Revenue. £792,943 £468,392 Revenue. Revenue. Revenue. Customs Department. Taxing Department. Stamp Department. Lands Department. 1900-01. 1900-01. 1901-01. 1900-01. . 1. . 1 Expenditure. Expenditure. Expenditure. £137,565 £19,031 £33,366 £8,925 Revenue. £350,551 \$357,348 Revenue. \$565,784 Revenue. £1,527,207 Revenue. 1890-91. 1890-91. 1890 -- 91. 1800-91. . 1 Expenditure. Expenditure. Expenditure. Expenditure. \$33,998 £92,614 £4,659 £7,081
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REVENUES RECEIVED, 1891 TO 1900-1901. It will be interesting, and remove misgiving, if in simple form the revenues received through the principal revenue-producing departments of the State during the year 1891 and the year 1901 are placed before members. The following table gives the actual receipts for each year respectively :- 1890-91. £ Customs 1,527,207 .. 631,191 Stamps 357,348 Property-tax . . Land- and income-tax Beer duty 58,072 Railways 1,123,322 Registration and other fees 41,495 Marine 20,583 . . Miscellaneous 49,004 Territorial 350,552 Totals .. £4,158,774 . . # POPULATION. Arrivals, Departures, Births, Deaths. In my introductory remarks I expressed the opinion that the colony was in need of an increased population. The latest census of the people proved that during the last five years our population had been, relatively to the previous five years-that is, from 1891 to 1896- actually decreased in number by 7,366 persons. The opinion of the late Hon. John Ballance, as expressed in his Budget in 1891, may not be out of place, showing as it does the bearing an increased or decreased population has upon the prosperity of the colony. Mr. Ballance said, - "I consider it my duty to direct the attention of the Committee to the lesson conveyed by the census returns of the population recently issued. Briefly, the rough results of the census, as shown by enumerators, give a population, subject to revision, of 623,352 persons, not including Maoris, against 578,482 persons in March, 1886, making an increase for the five years of 44,870. But the natural increase for this period, being the excess of births over deaths, is 64,168 persons ; so that the loss by excess of departures over arrivals is 19,298. "The arrivals recorded in the five years were 73,386, and the departures 83,948, giving a loss of 10,562 persons. It would thus appear that the unrecorded departures amounted to 8,736 persons. C'ENSUS RETURNS of Population of the North, South, and Stewart Islands, 1886, 1891, 1896, and 1901 (excluding Maoris). North Island and adjacent islets .. 250,482 .. South Island and adjacent islets .. Stewart Island .. . North Island and adjacent islets . 281,455 .. South Island and adjacent islets 344,711 .. . Stewart Island Mr. Seddon Decrease. 1900-1901. Increase. £ € 2,180,862 653,655 .. 272,744 903,935 .. 111,045 · 468,393 · 27,099 85,171 .. 1,720,641 597,319 . . 67,537 26,042 .. 29,553 8,970 . . 126,411 77,407 .. 80,349 270,203 .. 80,349 1,774,281 80,349 £5,852,706 £1,693,932 "The full outgo of population from the colony has evidently not been returned to the Registrar-General in the monthly statements ; and it is well known that in the years 1888, 1890, and of late, the steamers for Australia were greatly crowded, owing to a disposition on the part of the floating population to leave -mainly for New

South Wales. "Now, here is a loss of wealth and wealth-producing power, in the departure of so many people from our shores to seek employment in other colonies, which demands the serious consideration of Parliament." The following table gives the arrivals and departures of persons in and from the colony, also births and deaths, and the four census returns for 1886, 1891, 1896, and 1901 :- 1900. 1891.

Departures. Arrivals. Arrivals. Departures. 14,431 17,629 18,074 16,243 1900. Births 19,546 Deaths 7,200 . . Excess of births over deaths 12,346 Arrivals from United Kingdom. 2,435 \ 1896 1891 1,956 .. 2,555 1897 2,724 1892 .. . 2,929 1893 1898 2,598 .. . 2,846 1894 1899 1,918 .. . 1900 2,365 1895 2,314 Increase. 1891. 1886. Numerical. Percentage. 281,455 30,973 12-36 327,592 344,711 17,119 5.22 209 202 Decr. 7 . . 1891. 1896. 340,631 59,176 21.03 362,236 17,525 5.08 202 252 50 76,751

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and 1901 (excluding Maoris)-continued. North Island and adjacent islets . . 340,631 .. South Island and adjacent islets .. . Stewart Island Decrease in five years .. That is, between 1891 and 1896 there was an increase of 76,751, and between 1896 and 1901 an increase only of 69,385 (the Chatham and Kermadec Islands not included). OUR WORKING RAILWAYS. The rapid and continued growth of the business of our railways-the principal highways and means of communication between the various parts of the colony-is one of the best indications of the continued healthy and prosperous condition of the colony. The lines were taken over by the Government in January, 1895, and on the 31st March of that year the number of miles of line open for traffic was 1,993, and train-miles run 3,221,620. At the close of the last financial year, 31st March, 1901, the mileage open was 2,212, and the train-miles run 4,620,971. During the year ending 31st March, 1895, the railways carried 3,905,578 passengers, 28,623 season - ticket holders, 444,981 parcels, 750 carriages, 705 drays, 40,890 cattle, 1,519,921 sheep, 43,292 pigs, 36,972 tons of lime, chaff, et cetera, 85,102 tons firewood, 198,578 tons timber, 388,556 tons grain, 377,938 tons merchandise, 857,917 tons minerals ; earned a gross revenue of £1,150,851 ; and gave employment to 4,957 men. For the year ending 31st March, 1901, they carried 6,243,593 passengers, 82,921 season - ticket holders, 633,770 parcels, 1,336 carriages, 1,566 drays, 72,868 cattle, 2,412,191 sheep, 51,059 pigs, 78,844 tons chaff, lime, et cetera, 92,830 tons firewood, 380,803 tons timber, 772,571 tons grain, 551,879 tons merchandise, 1,366,241 tons minerals ; earned a gross revenue of £1,727,236 ; and gave employment to 7,793 men. Thus the traffic for the year ending 31st March, 1901, shows an increase over that for the year ending 31st March, 1895, of 1,399,351 train-miles, 2,338,015 passengers, 54,298 season tickets, 188,789 parcels, 586 carriages, 861 drays, 31,978 cattle, 892,270 sheep, 7,767 pigs, 1,291,296 tons of goods traffic of various classes, £576,385 in revenue, and 2,836 in the number of men employed. The actual profit, year ending 31st March, 1901 : £599,389, as against £571,533 for previous year. Capital cost of railways open for traffic, £17,207,328. Profit on working gives £3 9s. 8d., as compared with £3 8s. 5d. for last year. Taking into consideration the large reductions in passenger and other rates, the increased cost of materials, coal, iron, et cetera, and the increased wages, this result is eminently satisfactory, and the figures are, I venture to think, Increase. 1896. 1901. Numerical. Percentage. 390,571 49,940 14.66 362,236 381,661 19,425 5.36 252 272 20 3.97 69,385 7,366 : an eloquent testimony of the success of State administration of our railways. Notwithstanding the fact that the increased traffic during the past six years has been of such a phenomenal character, there is every indication that the business for the present financial year will be fully equal to that of the preceding year. # RAILWAY CONCESSIONS. In connection with results of working the railways for last financial year the large concessions in rates granted by the Government since resuming control of the lines should not be lost sight of, as they have a very material effect on the results for the year. The total reductions made since the Government took over the railways amounted, up to last year, to no less than £369,439, and to 31st March, 1901, to £420,239. The following are the principal concessions granted, and the estimated value of the reductions for one year :- Reduction- Live-stock rates 25,000 Firewood,

chaff, and lime 8,000 Free carriage of lime, butter, eggs, and fish empties 1,500 .. Abolition of extra charge of- One penny per ton on branch lines 3,000 Agricultural produce 45,000 . . . Butter and cheese 5,000 . . Artificial manures 1,000 . . Bricks, clay, coal, &c. 3,000 .. General reduction of ordinary passenger and season-ticket rates 68,000 Cheap tickets for workers on Auckland, Wellington, Christchurch, and Dunedin suburban lines 1,600 Concessions to race-horses, polo-ponies, hunters and hounds, returning from races, polo meetings, and hunts 2,800 Carriage of goods from centres to ports for shipment, dead-weight instead of measurement 1,100 . . Total of £165,000 In addition to the items enumerated, reductions have from time to time been made on a very large number of articles of every-day use carried over the railways. The regulations have been made of a more liberal character than heretofore, train services improved, speeds increased, and additional trains, involving an expenditure of many tens of thousands per annum, have been provided ; and, to further meet the convenience of the public, goods and.

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the volume of business has warranted such a ; step. NORTH ISLAND MAIN TRUNK RAILWAY. The central route having been finally determined upon for the North Island Main Trunk Railway, immediate steps were taken to put further work in hand. The formation is now well advanced between Kawakawa and Tau-maranui, while bushfelling, et cetera, is in hand south of the Wanganui River. From the south end the works extend nearly to Turangarere, , the said lines of railway, estimated by you as all the important works on this section being fully manned. The erection of the Makohine Viaduct is progressing satisfactorily, notwithstanding that the work has been retarded by continued bad weather. The viaduct will be completed during the coming summer, and simultaneously the railway will be opened to Mangaweka. The amount voted last session was sufficient to cover the requirements for the year, but an increased amount will be necessary for the coming year. MIDLAND RAILWAY. In accordance with the resolution passed by the Public Accounts Committee last session, a Royal Commission was appointed, and, after a very exhaustive inquiry, has reported, practically, that the company and debenture-holders have been very well treated. They find that the total expenditure by the company on the railway was \$1,108,628, of which only £654,411 was expended on the actual construction and equipment of the railway, and the balance- £454,217-on supervision, commission, salaries, cost of raising capital, interest charged to capital account, and incidentals. The Commission states that the financial charges in connection with the undertaking were enormous in comparison with the work done, and that the sums paid for the debenture interest, shareholders' interest, cost of raising money on debentures, administration, engineering- | revenue-producing purposes, yet notwithstanding, and law-costs were out of all proportion to the amount expended on construction and equipment. They further report that the selling-value of the whole railway, based on the revenue earned, and allowing for prospective increase for ten years, is .€192,833, and that the amount realised by the company from the Government land-grant was £313,060, or £50,195 in excess of the value at which the grant was debited to the company. They also find that the Go- Telegraph- Number ordinary telegrams .. Value Number urgent telegrams Value Number Press telegrams Value Number bureau communications Value Total number paid messages .. Total value Number Government messages .. . Value . . Mr. Seddon tion of the railway to the amount of \$38,439. The Commission were asked to ascertain the selling-value, and, on an assumption as to relative losses, to apportion under the following conditions : " The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by us by our said grants of land and out of our Colonial Treasury. in what proportion should the money value of aforesaid, be apportioned among the three said several contributors to the cost of construction ? " The Commissioners, on the hypothetical basis that the several contributing parties towards the creation of this asset should share in

its distribution rateably, apportioned the selling- value of \$192,833 as follows : To the debenture- holders, £126,788; to the company, nil ; to the Crown, £66,045. It will be seen, however, that £654,411 only was expended on the construction and equip- ment of the line, and of this sum the amounts realised by the company from the Government land-grant formed nearly one-half, whilst taking the selling-value of the line at \$192,833, and the amount realised from land-grant at \$313,000, it will be found that £120,237 has been pro- vided by the colony in excess of the selling- value of the line. The petitions of the debenture-holders and of the company, presented last session, should be dealt with this session. POST AND TELEGRAPHS. The Post and Telegraph is one of the most important departments of State, and is in- separably interwoven with the public finance. and is one of the barometers that never fails to disclose the progress of the colony and the condition of the people. In character it is more for the convenience of the people than for ing the many unpaid services performed it has proved more than self-supporting. Last year the expenditure was £416,363, and the receipts £503,181 ; this year the expenditure is esti. mated at £441,214, and the revenue is antici- pated to reach £485,800. To show the increased business in connection with the telegraph and telephone services since the year 1890 the following table is submitted for the information of honourable members :-

	1900.	1890.	per Cent.
1,465,992	2,792,871	90.51	
4 31.00	£71,307	15	
£93,474	14 2	35.667	
154,406	332.91	£10,251	
8 9 4	£4,749	17	
115-86	267,919	38.9	
192,882	£8,785	7	
10	£11,866	19	
8	35.08	239,432	
39,840	500.08	£1,111	
4 0	£6,830	10	
7	514.855		
1,734,381	3,454,628	99-19	
£85,954	4	£122,423	
13 6 2	42.43	226,780	
365,079	60.98	£26,070	
12 7			
£37,680	1 2	44.53	

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Telegraph-continued. Total number messages, all codes . Total value Number of offices Telephone-exchange connections . . Postal - Number of letters and letter-cards posted Number of post-cards posted newspapers . . . parcels . . . post-offices open . . . Total revenue .. # . POST-OFFICE SAVINGS-BANKS. The Post-Office Savings-Banks show a marked increase both in the volume of business and in the total amount at credit of depositors. Last year the excess of deposits (£4,170,428) over with- drawals (■3,827,416) amounted to £343,012 over the previous year, and the interest credited to depositors to €146,169, while the total accumu- lated savings stood on the 31st December at \$5,809,552, an average of £29 8s. 7d. to credit of each of the 197,408 depositors. Compared with the year ended 31st December, 1890, the increase is almost phenomenal, the total at credit having increased from £2,441,876 to £5,809,552, or at the rate of 137.91 per cent., Number of Accounts with Balances. £100 to £200. Up to £100. Year. 90,115° 1890 1900 178,405 11,173 Increase per cent. of 1900 over 1890 97.97 135.22 .. Balance at credit of the 97,208 depositors on 31st December, 1890 Balance at credit of the 197,408 depositors on 31st Decem- ber, 1900 .. Increase per cent. in amount at credit of depositors Interest paid depositors, 1890 1900 Percentage on increase NATIONAL EDUCATION CAPITATION, AND TEACHERS' SALARIES. Out of the statutory capitation of £3 15s. per annum on the average attendance, which is paid to the Boards of Education, these Boards have to pay teachers' salaries and allowances, the incidental expenses of School Committees, and their own office expenses, together with the cost of the inspection of schools ; receiving, however, an additional grant of £4,000 per annum towards this last item. The circum- stances of the various Boards are very different, and it is practically impossible for the Boards of the smaller districts, and even for the larger Boards (such as Auckland) in whose districts small schools are numerous, to pay salaries equal to those paid in districts in which there is a greater number of large schools. The con- sequent anomalies and irregularities in the salaries of teachers occupying similar positions i schools, where the first scale is already suffi- Increase 1890. 1900. per Cent. 1,961,161 3,819,707 94.77 £112,024 17 £160,103 14 4 42.92 1 540 977 80.93 8,190 215.97 2,592 21,501,937 37,421,228 74.03 991,065 1,858,064 87.5 8,691,522 12,347,374 42.1 199,220 64.2 121,292 42.36 1,185 1,686 £222,881 £316,202 41.87 representing an increase in the

average amount at credit of each account of £4 6s. 3d. The interest paid in 1900 was £146,169, as against £92,319 in 1890, an increase equal to 58.33 per cent. Classifying the accounts, it will be found that those with balances up to £100 increased from 90,115 to 178,405, or 97.97 per cent.; from £100 to \$200, from 4,750 to 11,173, or 135.22 per cent.; from £200 to \$300, from 1,502 to 5,151, or 242.94 per cent.; and above \$300, from 841 to 2,679, or 218.54 per cent. The total number of accounts open increased from 97,208 to 197,408, or 103.08 per cent. Attached is a comparative statement for the years 1890-1900- Above £300. Total all Classes. £200 to £300. 4,750 97,208 1,502 841 197,408 2,679 5,151 103.08 242.94 218.54 d. £ 8. 2,441,876 7 8 5,809,552 5 3 137.91 .. 92,319 0 6 146,169 2 5 58.33 in different parts of the colony are such as certainly exist in connection with no other department of the public service, and probably in no other class of workers in the colony; yet it cannot be said that the highest salaries are by any means too high. So many issues were involved that it seemed best to appoint a Royal Commission to inquire into the whole question. The report of the Commissioners contains two scales of staffs and salaries for public schools: the first, which involves an expenditure of £4 per head on the average attendance in all the public schools of the colony, is a vast improvement on the existing conditions. The second, which the Commission strongly recommends, is on the basis of \$4 2s. 6d. per head; it has the same general features as to staffing and salaries as the first, but the salaries are higher by about \$5 all round, except in the smallest

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ciently liberal; the salaries under the second scale, in fact, would mean, with very few exceptions, a general levelling-up. As to the exceptions, the Commission suggests that for two years no salaries should be lowered, and, as the cost of the concession would be trifling, this suggestion may readily be adopted without interfering with the general scheme. Since January of the present year, with the £3 15s. statutory capitation and the special vote of 5s. per head, the total payments have been at a rate practically equivalent to a capitation of £4 on the total average attendance. Last year the appropriation for capitation was £398,000; this year £416,200 is required to be voted, which is £18,200 in excess of the amount voted last year. Next year the finances of the colony permitting, as I believe they will, we hope to be able to provide for the payment of teachers on the second scale recommended. **MANUAL AND TECHNICAL INSTRUCTION.** The administration of the Manual and Technical Instruction Act of last session has engaged the attention of the Government during the recess. Organizing Inspectors have been appointed, and the regulations required to give effect to the Act have been issued. The terms of these regulations, I believe, are such as to offer a degree of encouragement to manual and technical education as liberal as is offered by the State in any part of the world. The Inspectors have already visited nearly every part of the colony, have met teachers and others interested, giving model lessons and such information and advice as will enable local controlling authorities to begin work on the best lines, or to extend their work where it has been already begun. The Inspectors have also in hand a series of small manuals suggesting suitable programmes of work in manual and technical classes. One of the most satisfactory features of the movement is the degree of interest that is being manifested in regard to the introduction of hand-and-eye training into the schools of the colony. Inasmuch as trained teachers are essential for effective work, special grants have been given to all the Boards of Education to enable them to establish classes for giving manual instruction to teachers. The extension of technical education proper will be sufficiently indicated when I say that since the passing of the Act there have been some forty or fifty applications for grants in aid of buildings, apparatus, and material. The expenditure under the head of technical instruction, exclusive of grants for building, for the year ending 31st March, 1901, was £2,690; the expenditure this year may be estimated at £14,000 or £15,000 exclusive of building grants, which last year amounted to \$2,178. This year we anticipate an expenditure of £10,000 or \$12,000 upon buildings and apparatus. After a few years the grants in aid of buildings and apparatus may be expected

to decrease as the need is generally satisfied ; while, on the other hand, the grants for capi- tation and other current items will increase year by year for some time. Mr. Seddon GOLD-MINING. Gold-mining generally is steadily progressing, and, although many companies which were floated more for the purpose of collecting calls from shareholders than for the purpose of win- ning the precious metal have been and are being wiped out of existence, the yield of gold is increasing. The quantity and value exported for the half-year ended 30th June last was 217,478 oz., valued at £844,888, being an in- crease of 38,175 oz., valued at £150,029, over the first half of the year 1900, and, as compared with the first half of the year 1899-when the quantity of gold exported for the year was 389,558 oz., valued at £1,513,173, being the highest for twenty-six years previously-the export shows an increase of 24,347 oz., value £94,389. It is not unreasonable, therefore, to expect that the yield for the present year will equal, if not exceed, that for the year 1899. # RIPARIAN RIGHTS. The scope of the Commission referred to in last year's Statement as having been set up to inquire and report as to claims for compensation in respect to riparian rights, and land affected by dredging in Otago and Southland, was ex- tended so as to include all rivers in the Middle Island; and the Commission has now concluded its investigations, resulting in reports having been made on forty-six rivers, of which number six have been proclaimed, and compensation amounting to £5,799 13s. 4d. paid. Notices of application to proclaim twenty-four rivers have been issued, but, as the period of ninety days within which claims for compensation can be received has not expired, the total sum that may be claimed is not yet known. On some of the more important rivers on which agricultural lands will be affected by mining it is feared the individual claims will be large ; but, as in many cases the farmers have disposed of the portions of their holdings fronting rivers and streams for dredging purposes, the compensation claimis will have to be considerably reduced before such rivers or streams are proclaimed. The question of a fair and equitable settle- ment between the riparian right holders and the mining community is beset with many difficulties. If, however, a conciliatory spirit is exhibited on both sides, and with the infor- mation before the Government resulting from the inquiries of the Commission, it is expected that in most cases the conflicting interests will be adjusted. # STATE COAL-MINES. The time has arrived when the colony should supply itself with coal. The output at present does not adequately meet requirements. Pri- vate enterprise is not meeting the general and increased demand. The annual consumption of coal for the several branches of the public services amounts to about 115,000 tons. The railways alone require 100,000 tons per year ; of this, 65,000 tons are hard or bituminous coal. It is estimated that the bituminous coal should be obtained at from 5s. to 7s. 6d. per ton less

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coal delivered for one of the Government steamers at Greymouth we are asked 17s. 6d. a ton, and it is well known that the same coal can be actually, and with profit, put on board at 10s. The inadequate supply and the increas- ing demand have brought about an undesirable situation. There is a combination of the coal- dealers, and the mine-owners are working in unison with them, the result being that ab- normally high prices are charged to the con- sumers. The effect of opening a State coal- mine will ameliorate, if it does not remove, this evil. In the course of time, and should the necessity therefor arise, we could, in addition to supplying our own State demands, extend the output so as to enable coal to be supplied to householders at reasonable rates. Another valid reason for the State stepping in is the necessity that exists for having a reserve of coal, at least at the four centres, to meet contingencies that might arise. At the present time the arrival of extra steamers and vessels requiring coal interferes with the ordinary de- mand, and a coal-famine ensues. We have had several in the last year or two ; and that there should be a coal-famine in a country like New Zealand, which is teeming with coal, points to a serious defect, the remedy for which is the opening of a State coal-mine. The House will, this session, be asked to pass the necessary legislation, grant the authority, and provide the means for working a State coal-mine. REDUCTION OF MORTGAGE-TAX. 32106019788246 In my last Budget I stated that " for

some considerable time the interest on mortgages has steadily decreased. During the past ten years interest on mortgages has fallen about one-fourth; this makes the penny in the pound on capital value a very heavy tax." I have not altered my opinion, and still consider that the mortgage-tax is too high, and that some relief should be given, provided the finances of the colony permit. Whilst desiring to keep good faith with Parliament, to do so this session would be imprudent, unless the loss of revenue occasioned thereby is recouped. # FINANCE OF 1901-1902. Expenditure. As I have already mentioned, the suggestions for departmental expenditure caused me no little anxiety, for I was confronted with estimates involving what appeared to be at first sight extraordinarily large expenditure. After careful examination and pruning, I am able to submit estimates of expenditure which, although undoubtedly large in the aggregate, taking into consideration the abnormal and non-recurrent expenditure they contain. The estimates for 1901-1902 are set down at \$5,763,814. The actual expenditure of last year amounted to \$5,479,703. There is therefore a proposed increase over last year's expenditure of £284,111, and I will, as concisely as possible, run over the various heads of expenditure which cause this large excess. Loans recently raised caused an addition of some £70,000 for interest, while the old-age pensions is answerable for \$18,000, which is most of the excess in expenditure under permanent Acts. In the Colonial Secretary's Department the visit of their Royal Highnesses has necessitated provision for £50,000, and £18,000 is required for the census. Exception will not, I feel sure, be taken to the expenditure incurred upon the Royal visit. It was the general desire of the people that the reception and entertaining should be creditable to our colony, befitting the great occasion, and pleasing to our future King and his gracious lady. The increased volume of the business of the Postal and Telegraph Departments has necessitated additional clerical assistance, and, with the ordinary increases arising from the classification, has added some £15,000 to the postal and telegraph estimates, in addition to a loss of some \$7,000 as contributions to the San Francisco service. I have already mentioned the increase in the proposed expenditure for educational services, and shall refer more at length to this subject hereafter. The Department of Agriculture is rapidly growing, and the officers are undoubtedly of great service to the farming community. To meet the extra calls upon the department a good many more skilled officers have been engaged, consequently extra expense incurred; but it must be borne in mind that the department obtains payment for the services rendered in the shape of fees, which are paid into the Consolidated Fund. The increases in other departments are small, and scarcely call for comment. I may again mention that out of the \$284,000 of proposed increased expenditure this year (of which £210,000 belongs to the annual appropriations) fully £120,000 arises from exceptional items, which are not likely to be of a recurring character, to which we must add the increased cost of postal and telegraph and educational services, which amount to quite £90,000, and are consequent upon the progress of our commercial and social surroundings and of our higher civilisation. Thus the excessive expenditure disappears, and I feel sure that members will not complain when the various votes come to be considered by them.

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ESTIMATED EXPENDITURE of the CONSOLIDATED FUND (Revenue Account) for 1901-2, compared with Actual Expenditure of 1900-1. REVENUE ACCOUNT. Civil List : : : . Interest and sinking fund . . Under special Acts Annual Appropriations- Legislative Departments Colonial Secretary's Department .. Colonial Treasurer's Department Justice Department .. Postal and Telegraph Department Customs and Marine Department Stamps and Deeds Department Education Department Lunacy and Charitable Department . . Department of Labour . Mines Department .. Department of Agriculture . . Working Railways Department Public and School Buildings and Domains Defence Department Police Department .. Lands and Survey Department . . Valuation Department . . Rates on Crown lands Services not provided for .. Total # Revenue. It is now necessary to review the estimates of revenue, which I have

set down at \$5,839,000, together with £57,000 receipts to be derived from sale of debentures for sinking fund accre- tions. These two sums total to £5,896,000. Last year the actual receipts amounted to \$5,905,506, showing that there is an estimated falling-off of revenue to the amount of \$9,506 during this current year. I have no desire to be pessimistic, but one cannot be too cautious while framing the estimates for the year. It is only necessary to look around to see the solid evidence of prosperity which meets the eye; at the same time I have to bear in mind that extraordinary events took place : during the last financial year-events which undoubtedly had their effect in augmenting our revenue-events which are not likely to occur again, neither will others of a kindred character take their place : I allude to the visit of the Duke and Duchess of Cornwall and York. The visit of their Royal Highnesses must have Mr. Seddon Differences. Estimato Actual for of 1901-2. 1900-1. Increase. Decrease. 3 £ £ 3,927 33,100 29,173 . . : 1,819,225 1,745,616 73,609 582,155 21,721 560,434 . . 2,434,480 2,335,223 99,257 25,265 19,887 5,378 185,438 116,138 69,300 . . 44,424 39,148 5,276 . . 129,961 126,436 3,525 . 24,850 416,364 441,214 . 87,038 2,033 89,071 26,879 26,256 623 . 67,225 512,519 445,294 63,242 69,170 5,928 . 7,790 7,978 188 23,321 17,488 5,833 . . 91,881 74,876 17,005 . . 1,144,832 7,168 1,152,000 101 46,750 46,851 6,685 206,565 213,250 . . 117,522 4,736 122,258 . 127,130 133,557 6,427 . 25,591 2,011 23,580 . 531 269 800 3,329,334 3,118,961 222,467 12,094 25,519 25,519 321,724 37,613 37,613 5,763,814 5,479,703 284,111 . . caused a vast outlay, spread over the whole community, and much of the expenditure has found its way to the Treasury coffers in the way of duties. On the other hand, we must not lose sight of the effect of the remissions which were made in the tariff in August last. Had it not been for the increased consumption of dutiable goods which has been noticeable for i some years past, and for the extraordinary ex- penditure I have just referred to connected with the Royal visit, there would have been a loss of revenue to the extent of £130,000, and I must still reckon for a loss of Customs revenue in connection with the reduction of duty to the extent of at least \$100,000 for the current year. Some portion of this loss will, how- ever, be made good by the increased consump- tion of articles not affected by the tariff alterations ; so I have set down the esti- mated Customs revenue at \$2,110,000, or \$70,862 less than last year's receipts. It may be that this curtailment of revenue will not take place, but it is best to err. if at all,

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on the safe side. As to the Railways, the | legislation has done away with the imposition returns so far show that the splendid revenue of last year is being not only maintained, but is even exceeded. I feel I am therefore justi- fied in anticipating the receipts will reach £1,760,000, or \$39,359 in excess of last year. The Stamp revenue remains substantially the same; I estimate this year's receipts at £903,500 : last year they reached £903,935. In last year's Budget I estimated there would be a loss of revenue arising from the adoption of the penny postage to the amount of £80,000 per annum ; but, owing to the great activity of trade generally, I do not anticipate a greater loss than \$24,000 from this source. Recent STATEMENT of the ESTIMATED REVENUE of the CONSOLIDATED FUND (Revenue Account) for 1901-2, compared with the Actual Revenue of 1900-1. - REVENUE ACCOUNT. Customs . Railways Stamps . . Land-tax Income-tax . Beer duty .. Registration and other fees . Marine Miscellaneous Territorial revenue Debentures for sinking fund increases Total ESTIMATED RESULTS AT CLOSE OF 1901-1902. The revenue being estimated at £5,896,000 and the expenditure at £5,763,814, there re- mains a balance of £132,186, to which may be added the balance (£32,564) of the surplus brought forward from last year after allowing for \$500,000 to be transferred to the Public Works Fund. These figures produce a balance of £164,750, out of which provision for the supplementary estimates has to be made. CROWN TENANTS' REBATE OF RENTS. Last session the Rebate of Crown Tenants Act was passed. Its working has not been satisfactory, or equitable in its incidence. An amendment of the Act is necessary, and at this juncture it is well to speak plainly, for from facts which have come within my own

knowledge it is quite clear that a person taking up bush land, and having little or no capital, cannot pay rent until the land yields a return. There are practically no returns for two years. By that time two years' rent are in arrear, and the yield is not sufficient to maintain the settler and his family. Another two years pass over VOL. CXVII .- 30. of stamp duty upon Native lands : this will entail a loss of some £4,000. On the other hand, there has been a large accession of business in the Telegraph branch, and this, with increasing revenue from other sources, will quite counterbalance any loss which may be sustained by the introduction of the penny postage. Compared with last year's results, there is an estimated increase of some £10,400 to the land-tax and £1,200 to the income-tax. The increases and decreases in the estimates of the other items of revenue are so small as not to call for remark. Differences. Estimate Actual for of 1901-2. 1900-1. Increase. Decrease. £ € € 2,110,000 2,180,862 70,862 .. 1,760,000 1,720,641 39,359 .. 903,500 903,935 435 10,416 305,000 294,584 .. . 175,000 1,191 173,809 .. 829 86,000 85,171 .. 76,000 67,537 8,463 .. 26,200 29,553 3,353 889 127,300 126,411 270,000 270,203 203 .. 5,839,000 61,147 5,852,706 74,853 57,000 52,800 4,200 . . . 65,347 65,347 5,896,000 5,905,506 9,506 .. and still find him behind in payment of his rent, or, if he has paid the rent, he has probably had to borrow the money for that purpose. Under these circumstances, it is much better that the State should insist upon the improvement conditions being strictly complied with, and allow the tenant to sit rent-free for the first four or five years. After that time the tenant would be in a position to pay the rent, and the anxiety and worry caused under the conditions now existing would be avoided. There is also another point worthy of being taken into consideration-namely, that, al- though there is a large area of Crown land available for settlement, most of it is inacces- sible and situated a long way from the centres of population, and is not of extra good quality : therefore some inducement is necessary, which, if given, will tend to promote settlement of the people on our Crown lands, and relieve the existing congestion among those who prefer to go upon the lands acquired under the Land for Settlements Act, thus avoiding the hardships which fall to the lot of the pioneer or back- blocks settler.

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Seeing that the cost of the old-age pensions is alleged to have been a factor in creating the recent unnecessary alarm as to the financial position of the colony, it is well to set the matter at rest, in order to remove the erroneous impressions which have been formed. Last year the amount paid for old-age pensions was £197,292, and this year it is estimated that £215,000 will be sufficient to meet all claims. The increase is therefore £17,708; but, with a surplus of over half a million last year, and, so far, a buoyant revenue this year, that amount is not likely to materially affect the finances of the colony. The increased expenditure in old- age pensions must, however, not be treated lightly, and a careful supervision is necessary, for there are reasons for believing that imposi- tion is practised and that evasion of the law to some extent prevails. It is well known that it has now become quite a profession for some people to go round hunting up applicants amongst the Native race for the old-age pen- sion, and should such applicants prove success- ful these people charge them a high fee for services performed. In view of the large amount now paid, it will not be prudent to press for old-age pensions being made universal, or for any increase in the scale. HELP TO FARMERS AND PRODUCERS .- COOL STORAGE. The importance and desirability of helping those located on and living directly from the products of the soil is admitted by all. How and in what manner this can best be accom- plished is worthy of our best efforts. The establishing of new and increased markets will assist in this direction, and it is essential that the produce for export should be carried at the minimum rates on our railways, and that the cost of transit by sea should be reduced to the lowest limit. With this, however, storage and supervision is required at the distributing end, thus avoiding the forcing of products upon an already glutted market. In respect to exploiting or extending our markets, the trade expert that has been appointed proceeds to South Africa next week. He is fully acquainted with what produce is available, and the prices at which it can be placed

f.o.b. for shipment. From the information we have to hand it will be necessary to have cool-stores for New Zealand produce established in South Africa. It has also been urged that there is not sufficient storage in the Mother-country for our produce. This opens up a very wide question, and its success or otherwise depends to a great extent as to how far the New Zealand Government proposes to go in for taking control of the frozen-meat industry, and as to what amount of support is obtainable within the colony. The erection of cool-stores in the Mother-country alone would be of little advantage. If, however, the producers and freezing companies, in conjunction with the Government, could divert the principal trade to the colony's store and regulate the output in Great Britain, the results would be beneficial. The cold-stores should, in any case, Mr. Seddon made this year for erection of cold-stores, and, subject to confirmation by our trade expert, the experiment should first be tried in South Africa. # TRADE WITH SOUTH AFRICA. It will be within the recollection of honourable members that during the recess Government called for tenders from steamship-owners for a service between the colony and South Africa. The results were not very encouraging, the amount of subsidy demanded being too high for the service offered ; and the scale of freights was also unsatisfactory. This being the case. and seeing that the Shaw-Savill, New Zealand Shipping, and Tyser Line Companies had decided to establish a six-weekly service as an experiment, it was decided at the time to take no further action, but to await results. I regret to state there has been little or no improvement, and the condition of affairs is not to any extent improved. Small producers and traders have no chance whatever. Freights, as compared with those from Australia, are very high, and there is no regularity. We have therefore come to the conclusion that to be a success it is essential that a line of steamers trading with South Africa should not go beyond South African ports, but should return to New Zealand; and the authority of the House will be asked to provide the necessary subsidy to authorise a contract being entered into for a period of not less than three years, and to invite public offers therefor. As illustrating the present situation and its drawbacks, I may state that offers were invited for a large order of oats from the Imperial authorities, with the result that offers came in from three large traders only : owing to the conditions, farmers or small traders could not tender, and the Government were unable to obtain the oats within the price limited, and the order was probably lost to the colony. Such a condition of affairs is not in the best interests of the farmers. It is impossible for the Government itself to take small parcels of grain from the producers, but an opportunity of obtaining suitable freights should be given them to conduct their business as they think best. # OUR BOYS AT THE FRONT : RETURNED TROOPERS. It will be seen on reference to the Defence estimates that there is a large reduction this year as compared with the amount voted last year under the head of " Contingents." The cost of the First, Second, and Third Contingents was borne by the New Zealand Government, with the exception of the amount paid to them at Imperial rates whilst serving in South Africa. The Fourth and Fifth Contingents were on different terms, and were wholly paid by the Imperial Government. The First, Second, Third, Fourth, and Fifth Contingents have returned home. At the present time we have two contingents in South Africa - the Sixth and Seventh. They have taken the place of the Fourth and Fifth. It would be superfluous for me to say more than that our brave

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have earned the commendation of each and every one of those commanding in South Africa. An attempt has been made, without just ground, to show that prompt payment has not been made to the returned troopers. There is no real foundation for this statement whatever. The Fourth and Fifth Contingents were practically Imperial soldiers. On leaving South Africa certain moneys were given to paymasters, and, on the arrival of the "Tagus " in Otago, we sent down our paymasters with about \$800 for the officer commanding the Otago District, Colonel Webb, and since then other moneys have been forwarded, with instructions to pay the men on the officer commanding certifying that the amounts were due. At the present time Colonel Davies and his staff are making out accounts, and as fast as certificates are ob-

tainable the moneys are paid. We have already advanced over £3,000. What has caused some confusion has been the fact that some of the men were not paid by the Imperial authorities before leaving South Africa. We are only trustees acting on behalf of the Imperial authorities; we cannot pay away moneys unless the certificates are forthcoming that the amounts are due. I have it on the authority of Captain Jackson, who was in charge of the D Squadron of the Fifth Contingent, that he brought money with him from South Africa, and that he has paid all his men. To show how unjust the allegations made are I will give a case in point. A trooper got one of the members of the House to interest himself on his (the trooper's) behalf, and the trooper telegraphed to know when his pay would be forthcoming. I had the matter immediately attended to, and found there were a couple of pounds coming to him, and had it not been for the extension of the \$5 gratuity the man would have been overpaid about \$3. The Under-Secretary for Defence has never refused any advance where it is shown that the money is due, and a special staff are kept busy at the present time doing nothing else but paying advances; and we have advanced about \$3,000 in excess of the moneys in our hands belonging to the Imperial Government. To show how ludicrous and foolish is the statement which has appeared to the effect that it was owing to the tightness of the New Zealand finances that our boys were not paid, it will be well for me to state that the total amount involved is about \$20,000. Already we have advanced £3,000, and an application has been made to the Imperial authorities for the amount due by them. In the meantime we have advanced about \$3,000, as already stated, and as fast as certificates are given payments are made; and this course will be followed without, I am happy to say, embarrassing our finances. #

FEDERATION WITH AUSTRALIA. As honourable members are aware, a short time ago a Royal Commission was appointed to take evidence in New Zealand and Australia in regard to the federation of this colony with Australia, and this was reported to be undesirable of the people of this colony. The tariff of the Commonwealth has not as yet been submitted; but, inasmuch as some eight million pounds is required to meet revenue requirements, it may be taken for granted that there will not be any serious alterations in the Australian tariffs, nor is it likely that the Federal tariff will materially affect the trade relationship as between New Zealand and the Commonwealth. A cordial and friendly feeling exists between this colony and the Commonwealth, and there is no foundation for the fears of many that, because New Zealand has not deemed it prudent to federate, the farmers of this colony will, in sending their products to Australia, be penalised. #

BRITISH MAIL-SERVICES. In accordance with what was approved last session, nothing further has been done respecting the San Francisco service, and we are, as arranged, paying for actual weight of mail-matter carried, the amount paid last year being about £17,000. The Oceanic Company are anxious that a contract should be entered into for a specified period, and the matter is receiving consideration. The subsidy asked, however, is much higher than would be reasonable for the colony to pay. Whilst it would be inadvisable to discontinue the San Francisco service if it can be got on fair terms, it would also be a good thing to have direct communication with Canada via Vancouver if it could be brought about by the payment of a reasonable subsidy. Suggestions have been made that a transshipping service to Fiji to connect with the Vancouver steamers should be established. This would not be acceptable, or meet the requirements of the colony. It has also been suggested that there should be an improved service as between New Zealand and Australia, and, seeing the number of magnificent steamers belonging to various companies trading from Great Britain to Australia, an effort to bring these lines of steamers to our colony is worthy of consideration. It is quite feasible, and could be done at a reasonable cost. With regard to the San Francisco and Vancouver mail-services, proposals will be submitted to the House later on dealing with these mail-services. ##

PACIFIC CABLE. I feel sure that it was with pleasure that honourable members noted that the Pacific cable contract had been entered into; and preparations for the laying of the cable are now being proceeded with. An officer representing the Pacific Cable Board has visited New Zealand, and, in conjunction with the Superintendent of

Telegraphs, has selected a site for the cable-station at Doubtless Bay. The completion of this cable is a matter of great importance to our colony, and it will enable New Zealand and Australia to have an independent cable between those countries. I regret to say that some friction has arisen owing to the

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contracting parties, having granted concessions to the Eastern Extension Telegraph Company inimical to the Pacific cable. Canada strongly resented the transaction, and at one time it looked as though the error committed would imperil the cable. I am pleased to say that the trouble has passed over, and progress is being made with the work. It is not likely that any claims for payment on account of interest will come to charge this year. The Pacific cable will serve as an additional cable route for England, and doubtless the Board will see the propriety of allowing a local service being established between Australia and New Zealand. The rates for the existing lines between Australia and New Zealand are not satisfactory, and it would be in the interests of the Australian Commonwealth, as well as of New Zealand, to have the whole of the cables between these two countries State-owned.

ADDITIONAL FUNDS. The minds of honourable members having been relieved in respect to the Consolidated Fund Account, the next-and to many members the most important-matter demanding attention and consideration is the public works expenditure, the amount of money to be expended, and the amount of money proposed to be raised. It would be out of place for me to trespass on the domain of my colleague the Minister for Public Works by going into details. I may say, however, that we estimate there will be an expenditure of about \$1,950,000, the expenditure on railways and roads being approximately about the same as last year. The balance on the 31st March last was £232,515. To this may be added £800,000, the balance of the million loan of last session, and we propose to transfer to the Public Works Fund \$500,000 of the surplus of the past year, making the total assets £1,532,515. Seeing the estimated expenditure is £1,950,000, it will therefore be necessary to ask authority for a further loan. In endeavouring to bring our borrowing within reasonable limits considerable difficulty has been encountered, owing to the heavy expenditure and liabilities which have been incurred during the last four months, and I have some misgiving as to the amount to be asked for which will be sufficient to carry us on till next session ; certainly the greatest care and economy will require to be exercised by myself and colleagues to keep the public works expenditure within the ways and means. We shall be aided in this endeavour if honourable members will restrict their demands in respect to the requirements of their districts. The time is most inopportune for extensive borrowing. The prolonged disturbed conditions in the Mother-country, caused by circumstances well within the knowledge of honourable members, has had an effect on the financial world of an abnormal character, and to such an extent as to render it unwise to ask for more than one million ; for a larger sum might prove, at this juncture, injurious to the credit of the colony.

Mr. Seddon	£ 232,515	Balance brought forward
Balance of loan of last session	.. 800,000	Transfer from Consolidated Fund
500,000	1,000,000	.. New loan
..	2,532,515	Estimated expenditure
1,950,000	..	£582,515
Balance	..	# GREATER NEW ZEALAND.

The action of the Imperial Government in agreeing to the extension of the boundary of the colony so as to include the Cook and other Islands has given general satisfaction, and such enlargement taking place on the day of the arrival of their Royal Highnesses the Duke and Duchess of Cornwall and York was pleasing in the extreme. The fact that the inauguration of Greater New Zealand occurred on the occasion of the visit of our future King will ever be a pleasant recollection. Colonel Gudgeon, C.M.G., has been appointed Resident Agent for New Zealand, and the well-being of the inhabitants of the Islands will be our first care, and nothing will be done which will tend to disturb the harmony now existing. In respect to revenues-Customs, Postal, et cetera -- there is no present intention of materially altering the existing conditions. The present revenues enable the Islands to be self-supporting. Seeing that goods from New Zealand will ultimately be admitted into the Islands free of duty, there will, of course, be a loss of revenue, but this will be more than compensated for by collateral advantages. Mr. Percy Smith has very generously

undertaken to go to the Island of Niue for a period of three months, and whilst there he will introduce the new order of things, which we hope will be to the benefit alike of the natives and of the people of this colony. On several of the islands, particularly Penrhyn, a Resident Agent will require to be located to see to the interests of the natives, and also to protect the interests of this colony. The cost entailed by the appointment of such Resident Agents will be more than recouped by revenues directly received, so that each of the islands will be self-supporting, and that without imposing any direct taxation upon the natives. As previously intimated, Parliament will be asked to extend the operations of the Ordinances now in force in the Islands pending other provisions being made ; it would not do for the whole of our laws to be enforced in the Islands, for the operation thereof under existing conditions would only result in friction and confusion. # SUMMARY AND CONCLUSION. In dealing with the many questions necessarily involved in placing the Public Accounts before honourable members I have endeavoured to be clear and explicit, not withholding or unduly extending the information which is necessary in order to afford a lucid explanation of the finances of the colony. The Budget proves

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and prosperous, that the operations of last year were satisfactory, and that at the close there was a credit balance of \$532,000, that this year there will be a surplus, and that additional taxation is not required, provided the present laws remain unaltered. I trust that I have clearly demonstrated that, with regard to the current year's finances, there was nothing to warrant the alarm and pessimistic view which some persons have taken respecting them, and that with care and economy, notwithstanding the very heavy and exceptional expenses already incurred, it is reasonable to expect there will be a fair surplus on the 31st March next. Presuming, as we do, that the public works expenditure will be fairly up to the estimate, the balance left in the Public Works Fund is likely to be less on the 31st March next than it has been for some years past. It is better that this should be so, and that there should be a tapering-off rather than an increased borrowing as compared with last year. The difficulty in raising money in London has not been without its advantages, for it has taught us that we may with success float loans locally. Under normal conditions a 4-per-cent. rate is too high ; and, although money could be raised at 3 per cent. at Home, the expenses there are so heavy that it would be an advantage to us to some extent to raise our money locally at 3 per cent., and to issue debentures over the Treasury counter, or even over the counters of the colony's banker, so that a person could as easily obtain a Government short-dated debenture for \$100 as he can put his money in the bank and obtain his receipt therefor. From what I can gather after making careful inquiries, it is my opinion that next year financial matters will have reached a normal condition in the Mother-country, and that there will be a plethora of money easily obtainable at 3 per cent. It must be pleasing to honourable members to know that the elasticity of finance, for which our colony is noted, still continues, and that, notwithstanding the concessions granted last year, our Customs revenue is buoyant, and more than realises expectations. The Customs revenue is the barometer of the spending-power of the people, and also of our prosperity, and the indicator points between " Fair" and " Set fair," whilst the financial meteorologist announces a blue and cloudless sky. In regard to the railways, since the Government took charge of them in 1895 concessions have been given to the value and extent of \$420,000. Eliminating the abnormal traffic created in the month of June last, the ordinary traffic shows that there will be increased earnings as compared with last year, and, unless unforeseen circumstances arise, the estimated receipts from railways will be fully realised. The settlement of the people on the land is of paramount importance. What we have done, are doing, and must do is to extend our operations and increase the number of our blocks and the bush land easy terms must be given by way of relieving the tenants from payment of rent for the first few years, and also by way of insisting on improvement conditions being complied with ; at the same time affording relief from rent until the tenant is enabled to get his head above water and to pay his way from the produce of the land itself.

In respect to gold-mining steady progress is being made. Science has come to the rescue. in regard to quartz-mining, whilst alluvial mining by dredging has assumed large proportions. I understand that the yield of gold this year will show a considerable increase over last year. The proclamation of certain rivers is indispensable, and although the first cost may appear heavy, yet this is unavoidable if ground sluicing and dredging are to be maintained. For years past it has been contended and urged that the State should open its coal-mines and be self-supplying. The existing dearth of coal and excessive charges practically forced the position, and, with a good selection and careful administration, there is every reason to believe that the result of a State-owned coal-mine will, as in many other ventures of a progressive character, prove successful. In respect to industries, however, the horizon is somewhat clouded, but in a short time this cloud will pass away. The employers and employed should shake hands, and both work together for mutual benefit. What will help our industries more than anything else will be to have complete technical and manual instruction for the young of our colony. This education is being afforded, and the country will be recouped for this expenditure a thousandfold. The increased expenditure to meet the charge necessary to give effect to the scheme for a national and uniform scale of pay for teachers is fully warranted, for in a great measure the future of our colony depends upon the teachers. They have been underpaid in the past, and the remuneration and scale now submitted is fair and reasonable. During the last few years the increase in our public debt may appear out of proportion to the increase in our population and trade; but when it is borne in mind that a very large proportion of this indebtedness is created for the purpose of advancing money to settlers, for the purchase of land for settlements, for loans to local bodies, for land improvement, and for other purposes of a directly reproductive character, there can be no question that splendid security has been given. There is direct local payment of interest, and many collateral advantages fully warrant the credit of the colony being pledged for such purposes. Contrast the wealth of the colony per head of the population with the increased indebtedness, and the most pessimistic individual must admit that the policy pursued has been in the best interests of New Zealand. The construction of roads to the back blocks, the roading of lands prior to settlement, and the endeavour to improve the means of communication so as to permit the settlers to

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bring their produce to the main roads, and realise, is of paramount importance. The completion at an early date of the North Island Main Trunk Railway, and the coupling together of Auckland and Wellington by a band of steel, is essential and of great importance. It will remove existing fears, and give potential advantages by increasing the tourist traffic, by the settlement of the people on the land, and by bringing the settlers in the far North and those in the South closer together for mutual profit and good. This work is national in character, and necessarily in respect to railway-construction should take first place. Railways in a young country should be run for the common good and to give encouragement to producers, small as well as large. The true principle to be observed is to carry your produce at the lowest possible rates, so as to give the producers an opportunity of competing with the markets of the world ; and to provide cheap fares and freights to convenient markets, so as to obtain revenue from widely distributed areas of settlement. This year, from the circumstances narrated, material reductions in railway freights could not be granted. Next year, and with abnormal expenditure eliminated, we hope to grant such concessions as will bring down the net earnings on our railways to 3 per cent. Some honourable members may have misgivings respecting the large amount asked for defence, but the money spent with this object is only the payment of a premium on an insurance. To preserve peace it is wise to be ever prepared for war ; and it is also a duty we owe to the Mother-country and the Empire, as well as to the people of New Zealand, that our able-bodied men should be trained to arms, that our sons should be drilled at school, so as to become efficient members of cadet corps, and ultimately Volunteers, and, when required, as in the case of our sons in South Africa, to prove themselves valiant soldiers of the King. I have now

detained honourable members a considerable time, and let me say, in conclusion, that I am sensible of their great and continued confidence. I hope that, although there may be differences of opinion respecting the Budget now submitted, at all events, they will do me the credit of believing that the conclusions have not been arrived at hastily, that the position has been accurately gauged, and that time will prove the finances of this colony to be sound and secure. I advise, and that in good faith, that at the present time the good steamer "Finance" should be steadied, and that "Slow," and not "Full speed ahead," should be the order on the dial. Reasonable care will insure the good ship riding buoyantly and safely in calm and placid waters. The information upon which the present position has been gauged will be placed at the command of honourable members, and I trust that they, with myself, will conscientiously and honestly arrive at the conclusion that our fair colony is prosperous, that there is a bright future before its people, that progress is Mr. Seddon assured, and that, as at present, so in the future, this colony will hold a foremost position as a British dependency.

SUPPLY. CLASS I. - LEGISLATIVE DEPARTMENTS.

Legislative Council, £1,870. Mr. SEDDON (Premier) .- I move to report progress. Captain RUSSELL. - Perhaps the right honourable gentleman will, in accordance with the usual custom, tell us the date on which he proposes to commence the debate. Mr. SEDDON .- I propose to proceed with the Financial Statement debate on Friday next, if all goes well ; and I hope to have the Public Works Statement down within a fortnight after the conclusion of the financial debate. It is my intention, as soon as the House resumes, to lay on the table the Appropriation Bill, the Civil List Account, the North Island Expenditure Account, the Abstract of Revenue of Public Account, and the next Gazette will contain the first quarter's returns for the year. An Hon. MEMBER .- Do the papers include B .- 1 ? Mr. SEDDON .- As regards B .- 1, I have made inquiries with regard to what I said the other day, and I am told it is impossible to get it. I do not care one jot, and have no wish or desire to keep back the return, but neither I nor any one else can do impossibilities. But, with the estimates and other work in the Treasury, I am told it is impossible for the return to be prepared in the time I was asked to give it in. I cannot do impossibilities, but I will give the necessary year's return, and from these papers honourable members will be in the position of knowing the finances just the same as myself. I beg to move, That progress be reported. Mr. PIRANI (Palmerston) .- I would like to ask the Hon. the Premier a question -namely, Whether the accounts he has referred to are to be gazetted in this week's Gazette or next week's Gazette ? Mr. SEDDON .- I am quite prepared to issue -although that is not necessary-a special Gazette ; but, at all events, the information will be in the hands of honourable members before the financial debate commences, so I think the best thing would be to issue them, say, on Tuesday next, and get them circulated. I hope members will be prepared to go on with the debate on Friday, and to let us get on with the business of the country. Mr. G. W. RUSSELL .- I wish to ask the Premier if he is going to issue the returns for the quarter ending 30th June ? An Hon. MEMBER .- The last quarter's returns. Mr. SEDDON .- The last quarterly returns, which will be the first quarter of this year. Mr. PIRANI .- I should like to point this out to the Premier : The Premier made an insinuation just now that members opposite knew more about the Public Accounts than he did, because several of us laughed when he said it was impossible to get the B .- 1 statement ready.

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which occurred before the Public Accounts Committee last year. Evidence was then given that the B .- 1 paper would be ready to print in the middle of June, and the Government Printer said if he were given a fortnight from that he could have it ready to lay on the table. That was what I had in my mind ; and I say this : that the cause might be the large amount of printing owing to these Royal Commissions, which are neither of use nor ornament, and which have been to a great extent blocking the printing-office; but, so far as the Treasury is concerned, the evidence given by their officers to the Committee was that it was possible to have the B .- 1 statement ready long before the present time. Mr. SEDDON (Premier) .- I can only say, in answer to inquiries as to when the B .- 1 paper will be available, that when I made inquiries

with a view to placing information before the House I was informed that it was an impossibility, and therefore, I say, what is the use of my allowing honourable members to believe that I can get done that which cannot be done ? It is quite true that on the occasion mentioned by the honourable member, and on . a previous year, the B .- 1 statement was ready. I say now that the circumstances are entirely exceptional this year, and both the Government and members must wait. We were for a month before the House met, as members are aware, away from the public business, and I think myself and my colleagues ought to have some credit for the manner in which the business of the country has been placed before the House as it has been this session. I shall give the B .- 1 statement as soon as possible, but I do not think I can possibly have it ready for this debate. I am quite prepared to furnish all the papers that are necessary in order that members may understand the finances of the colony and be able to debate the Budget intelligently. Motion agreed to, and progress reported. The House adjourned at twenty-five minutes to eleven o'clock p.m.