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LEGISLATIVE COUNCIL. Wednesday, 4th September, 1901. Death of Sir John Mckenzie - Death of the Hon. J. Kerr: The Hon. the SPEAKER took the chair at half- past two o'clock. PRAYERS. DEATH OF SIR JOHN MCKENZIE. The Hon. the SPEAKER .- I have received a letter from Mr. John Mckenzie, thanking the members of this Chamber for the kind message of sympathy which was sent to him through the Speaker. DEATH OF THE HON. J. KERR. The Hon. Mr. W. C. WALKER .- Sir, I am sure that every member of the Council will feel as deeply as I do the sad occurrence which has taken place since we last met. The Council has lost the services of a member who was very highly respected, and whom only to know was an honour, and whom every member appreciated and held in affectionate regard. I do not think there was any one in the Council who was more closely connected with the late Mr. Kerr than I was, and since the day of his appointment to the Council to the day of his death nothing occurred, either publicly or privately, between him and his fellow-Councillors but what was of a kind which was in the nature of establishing in the hearts of all of us the respect due to him, as regards the sincerity of his public opinions and the earnestness of his public life. He was a gentleman of warm convictions, but he was able to express those convictions with perfect sincerity, and yet never to hurt the feelings of those from whom he differed. It was a melancholy satisfaction that I and other members of the Council were able to be present at his funeral and show his family and his neighbours how much he was respected by the Council, and how much we regretted his death. Sir, I beg to move, without notice, That this Council do now adjourn, as a mark of respect to the memory of the late Hon. James Kerr. The Hon. Captain BAILLIE .- Sir, I rise to second the motion which has been moved by the Minister of Education. The honourable

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

am certain that there is no one of any party or any sect in this Chamber who does not deeply regret the sad loss of the late Mr. Kerr. I really think that, considering the worth of the honourable gentleman who is now no more, this tribute to his memory is being allowed to pass too briefly. I tell honourable gentlemen that they might show a little more feeling, and that, Sir, is my excuse for trespassing on the Council : I thought a little more feeling might be infused into the subject. It is Nature's stern award to all : we all shall come to this some day. I certainly trust in our case the end may not come so suddenly or unexpectedly as it has to the late Mr. Kerr. I merely wish to say that I regret-very deeply regret-the unex- Hon. Captain Baillic of whom it might be said,- His life was gentle, and the elements So mixed in him, that Nature might stand up And say to all the world, This was a man ! The Hon. Mr. FELDWICK .- Sir, as one of those twelve members who were called to the Legislative Council in 1892, and of whom the late Mr. Kerr was also one, I desire to add a word or two to the tribute that is now being offered to the memory of the late Mr. Kerr. It was my privilege, in company with the Right Hon. the Premier, the Minister of Education, the Hon. Mr. Jennings, and the Hon. Mr. Rigg to go to Greymouth to attend the funeral obsequies of the late honourable gentleman. I need say little about the esteem in which the late honourable member was held in this Council, but I would like to say to the Council a word or two as to the regard in which the honourable gentleman was held in the locality in which he had lived for the best part of his life. The feeling in the district was not merely one of speaking well of the dead. The feeling was that of absolute love for our late departed colleague. I saw the body in the coffin, and I witnessed the grief of the bereaved family, and it was a home of grief indeed. I fully indorse all that has been said about the honourable gentleman in the Council to- day. A characteristic of his nature was that he was a fair man all round. He never voted at anybody's beck and call, and never said any- thing unless he had something that was worth saying. There was this too that was noticeable about him : When he had something to say he received the almost rapt attention of the mem- bers of the Council, because his honesty and the sterling nature of his character always made itself felt, and always impressed us. Sir, it was a melancholy satisfaction to me to have had the privilege of being one of a deputation to represent the Council on the day of the funeral of the honourable gentleman, and all I need say is that he was a just man, an honest man, and a true man, and I close my remarks with these two lines :- The sweet remembrance of the just Shall flourish when he sleeps in dust. Motion agreed to. The Council adjourned at ten minutes to three o'clock p.m. HOUSE OF REPRESENTATIVES. Wednesday, 4th September, 1901. Exclusion of Strangers-Commandant of the Forces -Financial Statement. Mr. DEPUTY-SPEAKER took the chair at half- past two o'clock. PRAYERS. EXCLUSION OF STRANGERS. Mr. SYMES (Egmont) gave notice to ask the following question : If the Government will, by

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immediate steps for the exclusion of strangers from the lobbies and library during sitting- days of the House ? Mr. SEDDON (Premier) said, on this matter he would like to make a statement to the House. Complaints had reached him of the wholesale violation of the rules in respect to this matter, and he wished to ask honourable members to support the library authorities in enforcing the rules. On sitting-days and other days there were boys in the library, and people were taken there. The library was now con- venient to the entrance, and advantage was taken of that. Of course, it had not been so easy to do this when the library was in the old building. Now that the library was more ac- cessible from the front of the building mem- bers, instead of taking their friends into the waiting-room, took them into the library. Members going in there now would find ladies and gentlemen and youths in the library on sitting-days, and he must point out that the rules could only be maintained with the assistance of members. It was unpleasant for the officers of the library to have to ask visitors for their tickets, or to appear to be officious in any way; but the rules must be enforced, and it was for members to assist the library authorities in

enforcing them. He believed there was a responsibility cast upon himself. Captain RUSSELL .- No. Mr. SEDDON said, At any rate, there was a responsibility upon some one, and, as members had complained to him about it, with the leave of the House he brought the matter under the notice of the Deputy-Speaker, and would ask him to give this information to the House, and request the members to support the library authorities in future. Mr. HOGG (Masterton) had a few words to say as a country member. When any of his friends came down from the country to see him in the House on business matters there was no accommodation whatever for them. They had either to stand about in the open air or amongst the crowd of people who were usually waiting at the entrance. Only one room was provided for the whole of the members of the House when any of their friends wished to see them on important business, petitions, deputations, and so on. He had endeavoured, over and over again, to gain admittance to that room, but he generally found some people in advance of him. It was almost impossible at the present time for any member to secure a private conversation with any of his friends or constituents. The accommodation provided for strangers visiting the House to interview the representatives of their districts was something shameful. Mr. FISHER (Wellington City) thought the better course would be to throw the whole building open to the country generally. They threw it open already to the newspapers, and they gave up rooms for Racing Conferences and other things, and to the general public at any hour of the week. He intended to invite half days. Mr. DEPUTY-SPEAKER thought this discussion ought not to continue. It was his duty during the absence of the Speaker, as Chairman of the Library Committee, to at once convene a meeting of that body and bring under the notice of the Committee the grievance complained of that afternoon, and he had no doubt the Committee would take immediate steps to see that the rules were not infringed in future. Mr. R. MCKENZIE (Motueka) said there were a good many Committee-rooms in the building, but he was given to understand that Ministers used from eighteen to twenty of those rooms for the accommodation of themselves and their Secretaries. When this matter was considered by the Committee, he would ask that the question of Ministers and their Private Secretaries being shunted to the Government Buildings be also considered, so as to allow the general public and members to have reasonable accommodation in the House. COMMANDANT OF THE FORCES. Captain RUSSELL (Hawke's Bay) gave notice to ask the Hon. the Minister of Defence, Whether Colonel Henry, C.B., Northumberland Fusiliers, had accepted the position of Commandant of the Forces in New Zealand ; and, if not, what steps were being taken to fill the vacancy in that office which would happen in October next ? Mr. SEDDON (Minister of Defence) said he might be allowed to answer that question at once. Colonel Henry, he was sorry to say, did not see his way to accept the position which the Government had offered him. He (Mr. Seddon) had received a cable to that effect from the Agent-General, and also from the War Office, and intimating to the Government that they were endeavouring to select another fitting officer for the position. # FINANCIAL STATEMENT. INTERRUPTED DEBATE. Sir J. G. WARD .- When I was in- 3.0. interrupted last evening, I was calling attention to the fact that the difference between performance and utterance, as indicated by the speech of the honourable member for Franklin, was very extraordinary. The honourable member was condemning the large expenditure of the colony with one breath-irrespective of the fact, as I pointed out, that before his constituents he dilated on his success in having extracted £130,000 from the public Exchequer and before he concluded his speech last night he was urging this House to provide for enormous expenditure for particular works in the North ; and in addition to which, that if a certain mail-service was dropped-apparently no matter how extravagant the demand of the contractor - there would be trouble for the colony. That is how the honourable gentleman, I presume, first gave us so much of his precept ; but when it comes to an ounce of practice he is quite ready to take all he can get in the shape of the loaves and fishes. Now, Sir, the honourable member said

their professions during the last ten years, and to emphasize it he resurrected from one of Junius's letters the following : "In moments of difficulty and danger, flattery and falsehood cannot deceive, and simplicity takes its place." An Hon. MEMBER .- Those are not the words. Sir J. G. WARD .- Sir, I say that is very nearly the quotation of the honourable member as I took it. At all events, it is near enough for my purpose. Sir, I can only say, in reply to the honourable member, that flattery and falsehood are evidently in the minds of some people, who are urging in the one breath that we should reduce our public-works expenditure enormously, and in the other are urging that large public expenditure should take place in their particular districts. Sir, I say if they are sincere they ought to ask the Government to largely reduce the public expenditure. And one of the best ways to do it, and at the same time to show their sincerity and earnestness and practicability as well, is for these members, who are the reflex of the opinion of their own constituencies, to show the Government the works in their districts on which expenditure can be reduced. They have a special knowledge of their own districts, and they will be better able to show the Government in what directions expenditure can be reduced in their own localities, and so effect a reduction all over the colony. The honourable member said, If this extravagant expenditure went on unchecked a position of affairs would arise in this colony that would be disastrous ; and yet he advocated retention of the co-operative workers-the very backbone of the whole public-works expenditure -and he had to admit that more money was wanted, or otherwise a backward condition of affairs would result. The honourable member had the North Island Trunk Railway in his vision when he made that statement about co- He knows perfectly well operative workers. that the North Island Trunk Railway is being made by co-operative labourers, and he knows the Government are determined to push it on ; and it again shows that he is anxious to preach in one direction but to practise in another. He knows that his seat would be unsafe, and that he would not again grace this House with his presence, if he advocated that the co-operative workers should be put off, because that would mean at once the stoppage of the North Island Trunk Railway. That is an illustration of the sincerity of honourable members who are asking that there shall be a large reduction in the public-works expenditure; but the moment it touches their own quarter they are anxious that the co-operative workers should be kept going ; and he is naturally anxious that the North Island Trunk Railway and other public works should be kept going as well. To whom, then, does the extract from Junius's letter apply to- to the honourable gentleman and his friends or the Government? We openly practise what we preach ; they preach the very opposite of what they wish and would have the Government do. The quotation, or at least a portion of it, aptly applies to them. Now, on the Sir J. G. Ward honourable gentleman took exception to the fact that the old-age pensions had risen from £108,000 to £215,000. The honourable member did not tell the House that the Premier, when he made that forecast of £108,000, did so under different circumstances from those which prevail now. Does the honourable member not know that no Maoris were included in the old-age pensions scheme at first ? Hon. MEMBERS .- They were. Sir J. G. WARD .- I say originally they were not. Yet the honourable members keep that information to themselves, and let it go forth that, with only Europeans having the rights, the Old-age Pension Fund has increased from £108,000 to £215,000. Many restrictions in the Bill when it was first before the House have been removed, and the honourable members opposite urged that the scheme should be made general. Their object in doing that was to try and crush the scheme by the excessive amount that would be required, and when they cannot crush it in one way we find them trying to do it in another ; and you have these honourable members coming before the House and making statements-that are necessarily disseminated among the people of the colony-that the old-age pensions scheme, instead of costing £108,000 is costing £215,000, ignoring the fact that the Maori population is now included in that. And surely the Maori population has a perfect right to receive benefits under this humane scheme-an equal right with those who are old and infirm Europeans. The honourable member keeps that very important fact entirely in the background. Then the honourable member says the

mortgage-tax has not been given away this year; and the honourable member for Nelson City, Mr. Graham, says the same thing. Why do they not say what they are prepared to do ? Why do they not give an indication that they are prepared to have the mortgage tax repealed, and to raise an equal amount by having an increase in the graduated land-tax. An Hon. MEMBER .- What right has that question to come up ? Sir J. G. WARD .- It has every right to come up. It has been indicated by the Government that we can only have a remission of the mortgage-tax by the substitution of some other system of taxation. Are they then, I ask, prepared to increase the graduated land-tax upon properties above, say, #15,000 or £20,000 ? If they are prepared, let them show their willingness by making the suggestion, and the mortgage-tax will soon go. Let us see some indication of their sincerity, not merely in precept, but in practice, and they will find the Government is quite prepared to meet them in the direction that I have indicated. But honourable members, representing those whom they do in this House, want all they can get, and to give nothing whatever in return, and then they are prepared to find fault with the Government, and to point out all manner of misdeeds according to their own point of view. Then, there is this question of the complaint regarding the increase of departments and

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because of his family bereavements, and to the honourable member for Franklin, the give his children the benefit of a milder honourable member for Nelson City, the honourable climate. Placing his family before every-able member for Ashley, the honourable member for Riccarton, and Mr. Millar, the member for thing else, he decided to leave this colony ; and he went away with great regret so far Dunedin City, have all complained of this. But as the Government is concerned. To show who is responsible for the increase ? Every one how utterly wrong the honourable member for of those gentlemen. The member for Bruce Bruce is, I may say the Government was pre-voted for the increase of the departments, and pared to and did offer Mr. Hudson a better there is not a single one of those who now com-salary to remain in New Zealand than he now plain who did not support the increases. I will receives in Tasmania. But, Sir, the honour-put on record the departments that have been able gentleman had hardly uttered the words started and that have caused the increase. We when we find him immediately afterwards call-have started the Public Health Department, ing attention to the fact that we were increas-the Industries and Commerce Department, the ing the salaries upon the estimates, and saying Tourist Department, and the Old-age Pensions that those increases were improper. And other Department. Then, there is the School for the members of this House have done the same Blind, Technical Instruction, and the Labour thing. Now, one word about these increases Department, the South African contingents, upon the estimates. Those honourable mem-and the Valuation Department, and, with per-bers have been endeavouring to make the haps an exception here and there, all those country believe that the Government have now complaining have supported the creation been increasing the salaries of the higher of these departments. officials, and my friend the honourable mem-Mr. J. ALLEN .- No, they did not. ber for Wairarapa, who feels very earnest about Sir J. G. WARD .- The honourable member this, and is, I am sure, very sincere about the for Bruce may have been an exception, but even matter, went so far as to say that when he supported the creation of the large majority House is in Committee upon these estimates he of the departments. But I should like to point would move to reduce every item in order to save out to the House that, independent of the non-expense. Sir, when I tell honourable members recurring expenditure, there is not one of these that outside the classified departments of the departments but is conferring immense benefit service - which, of course, work automatically upon the colony, and some of them are paying under the law that governs them-the total the colony very handsomely indeed. Then, honourable members who make that statement increases to heads of departments, which point very unfairly- as some have done-to he so much deplores, amounts to only \$250 for the whole lot, how much expense the

very large increase upon the consolidated is he going to save by moving that these estimates, which we are all anxious to keep down. The Government is as anxious to keep increases be struck off? Now, as to the that down as any one else can possibly be ; but increases of salaries, let me tell the House while they point to the increase on the con- that the bulk of them are to . men receive- ing under \$300 per annum. There are 802 of solidated estimates, and tell you that it has gone up by £1,220,000, they do not tell them-men who have received £5, £10, or £20 increases. Those men have to support their you that at the same time, and for the very same period, although we reduced taxation wives and families. They are from their sur- roundings compelled to maintain their positions last year by #350,000, the consolidated re- properly. Honourable members must be aware venue has increased by £1,660,000. And that that the cost of living is greater now, and it has is what they ought to do. I say our revenue is been so for some time past. Rents are higher, now #440,000 more than our expenditure on the consolidated estimates, and which, had we not the cost of meat and the cost of coal have gone up, and yet when these men who have to sup- given away £350,000 last year, would have been port their wives and families, and the majority \$700,000 greater than our expenditure this of whom are receiving a mere pittance when year. I say it is wonderful. Does not that it is proposed to show them some slight con- clearly point to the fact that the growth of sideration for their past services, we find that trade, the development of the interior of our the honourable member and other honourable country, and the material changes that have taken place, though they have rendered neces- members are going to move that their salaries sary an increase in the consolidated estimates, be reduced in Committee. have caused more than a corresponding increase increases when the cost of living goes down ? in the consolidated revenue, and shows extra- And let ordinary progress and advancement ? me here say that some of those honourable live. If you are not going to recognise your members-the honourable member for Bruce- employés at all, if you are not going to give lamented the fact that Mr. Hudson, our highly them any increases at all, you cannot expect to get the same good results from their work as valued railway officer, had been allowed to go you would by treating them as men and giving away from this colony because he was not them a fair remuneration for the services they properly paid. Now, the honourable member render to the country. We have a Civil Ser- in making that statement made a statement vice in this country of which we ought to be that was contrary to fact: he went away proud, and, because some honourable members on account of private family trials which VOL. CXVIII .- 11 An Hon. MEMBER .-- Will you take off the Sir J. G. WARD. - Sir, let us live and let

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get an imaginary notion into their heads that | in salary which we offered him, but because he our finances are dislocated, the first thing they do is to make a set at the unfortunate Civil servants and reduce their salaries to a paltry pittance. Take the salaries of the higher officers. Mr. ATKINSON .- Start on Ministers. Sir J. G. WARD .- The honourable gentle- man can start anywhere he likes. He knows perfectly well Ministers are indifferent to any- thing of the kind. ' We endeavour to do our duty. We give the country value for the money received, and most of us could make a great deal more outside if we had never come on to the Treasury benches. As to my honour- able friend Mr. Atkinson, he makes so much at his business that I feel sure he would never take a seat on the Ministerial benches, even if he had an opportunity of doing so. There are 880 increases on the whole of the estimates, and of those the great bulk is represented by the 802 who receive under £300 per annum. Some of the increases are to men receiving £75 a year, £100 a year, £150 a year, but none of them to those receiving over \$300 a year. Now, with regard to the higher salaries, what is paid to the principal officers of the Railway service outside the colony :- General Manager or Commissioner. Chief Mechanical Chief Engineer. Engineer. Colony. Mileage. £ 12,801 Queensland .. 1,000 1,500 1,400 1,200 New South 2,777 2,500 1,060 1,200 1,100

1,500\| Wales 1,500 Victoria 1,100\|1,000 3,186 3,500 1,250 South Aus. 900 1,875 1,500\|1,100 tralia  
 Western Aus- 1,500 1,000 1,355 800 tralia Cape Colony 1,400\|1,000\\* 900 1,000 1,990 700 New Zealand  
 700 2,306 1,000 \\* And £200 construction allowance. The late General Manager of the Tasmanian  
 Government railways is now receiving £2,250 per annum as general manager of the Chillagoe Railway  
 and Copper-mines Company, Queens- land ; and the Victorian Commissioner recently left Victoria to take  
 up a position as general manager of the Midland Railway Company, England, at a salary of \$5,000 per  
 annum. In this country during the last six months some of the best officers of the Railway Department  
 have had higher salaries offered to them by other countries than they are getting in New Zealand, and yet  
 we expect them to stay here. In one case one officer who was offered a higher salary to leave our country  
 agreed to stay here, not merely because of a slight increase Sir J. G. Ward was born and trained in the  
 colony, was brought up in the Railway service of the colony, and was attached to it. He stayed here rather  
 than accept a higher salary out- side the colony in another Railway service. Then, take the Postal service.  
 In New Zealand positions which cost £1,750 for the three prin- cipal officers cost in Victoria £2,660, and in  
 New South Wales £2,720. Then, in the Money- order Branch in New Zealand what we pay \$500 per year  
 for costs Victoria £1,100, and New South Wales £1,350. Then, again, another officer in the Postal service  
 in this colony re- ceives £400, whilst in a similar position in Vic- toria and New South Wales the salary is  
 £550. Our men are not inferior to any of those in the other colonies, and yet we treat them as though they  
 were. The Government recognise that if we want to keep our officers we must give them reasonable  
 salaries in order to do so. Those honourable members seem to think the Govern- ment give increases  
 without considering all the circumstances. The Government do nothing of the kind. Our desire is to see  
 these officers paid fairly, not excessively, and that for the ser- vices they render to the State they should  
 have fair remuneration. We do not want to see our best officers leaving our service and going to other  
 places if we can keep them here by Manager. treating them in a fair and reasonable way. Chief Traffic  
 The honourable member for Bruce said that two millions and a half of our loans are not quoted on the  
 London Stock Exchange. The honourable member is saying what is absolutely incorrect. There is not a  
 single loan of this country that is not quotable on the London Stock Exchange. Mr. J. ALLEN .- I say I am  
 right. . . Sir J. G. WARD .- The honourable member ought to disclose the source of his information if he  
 thinks he is right. I may say that I make this statement officially as from the Treasury : that the whole of  
 our loans are quotable on the London Stock Exchange. What possible reason 600 could there be for not  
 quoting our loans ? Our stock stands as high relatively as the stock of 900 any other country, and there is  
 no reason why we should not disclose to the British public that our loans are there for them to invest in  
 700 the ordinary way. Then, the honourable mem- ber made other charges against the Govern- ment.  
 The gravamen of his charges was that we have the power under statute to borrow certain moneys under  
 the Government Ad- vances to Settlers Act, also for the acqui- sition of private estates, for the dairy  
 industry, and for other purposes. Does the honour- able member mean to tell me that this country is going  
 to allow these departments to languish and die for want of money ? He might just as well pray that the  
 moon shall be brought down as suppose that the people of New Zealand are going to stop these valu-  
 able institutions, which have been created entirely for the benefit of the people. And the honourable  
 member for Riccarton said that the speech of the honourable member for Bruce was the most brilliant  
 financial speech ever heard in

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the Government have done in connection with There is no 'accounting for taste. If the honourable  
 member for Bruce could have his the expenses incurred over that visit ; and no way he would move for  
 the repeal of the laws which have conferred such advantages on the further charges that may be made,  
 even if they amount to an extra £100,000. As farmers of this country. He would not borrow for advances

to settlers ; he would not borrow soon as the Government is in a position for railways, roads, or bridges. He would say to indicate what the extra charges are this will be the very vitals of our industrious settlers, not letting the country know the full cost of and the member for Riccarton, in sympathy with him, says this is brilliant finance. The honourable member for Auckland City (Mr. Fowlds) deprecated the fact that there is a preponderance of southern Ministers in the Ministry. The honourable member, I think, regard to the remarks of the honourable member - will not gainsay the fact that the North Island has received the fullest consideration from the Ministry. I have never yet found in my peregrinations throughout the beautiful North a disposition on the part of the people to relegate myself or any member of the revenue of our railways we should pay for benefit of the Ministry to private life. There is no doubt that the people recognise that we have endeavoured to do what is fair to the colony as a whole. I think it is time the country got over any feeling of provincialism, and should recognise that the best men he wait until he had earned that amount or possible are selected for the positions of take it out of his earnings, or would he in Ministers, irrespective of where they may the ordinary way borrow the amount and live. I think, indeed, that the country already recognises that. I should not like it to charge to the business the interest upon it? Of course he would, unless he was go forth that the Government or the (over- ment party were in sympathy with my honour- money without injury to his business. able friend in his ideas with reference to taxing heard the honourable member for Geraldine the land. The honourable member suggested say that the views of the honourable member that by raising the land-tax to 1d. and 3d. we for Ashley were sound upon this matter. I would be able to get a very large increase of thought at the time he was joking; but I would revenue-I think he said the whole of the tell both honourable gentlemen that if they revenue required. want increased rolling-stock for our railways Mr. FOWLDS .- No, you quite misunder- it cannot be got in this way. If, however, the stood me. money was to be got from revenue in the way Sir J. G. WARD .- What was the amount ? suggested, an enormous sum would have to be Mr. FOWLDS .- £294,000 for each 1d. principle is both unsound, undesirable, and im- Sir J. G. WARD .- Yes, that was what I practicable, and the first to feel it would be the understood. The honourable member spoke of producers, as higher rates would be absolutely the effect upon the whole of the land-tax essential. It would be a policy of retrogres- pavers in the colony. I took a note of his sion. While complimenting the Railway De- figures at the time, and I worked out what it partment generally, the honourable member for would mean to the land-tax payers of the colony, Kaiapoi found fault with it for not doing and I found it represented no less than £46 per certain things, and complained particularly annum to each of them ; and that would be an with regard to the shortage of wagons. Now, enormous increase upon the people, particularly Sir, as we have heard so much on this subject, upon the average small man. The honourable I desire to place one or two statements on member is, I have no doubt, sincere in his record which, I think, will be of interest to advocacy of this system, but I venture the' members and the country generally. From opinion that if it were attempted to be adopted time to time, since I have had control of the the country would rise up against it. That is railways, some honourable members have been my view, which I wish to place upon record. asking the Railway Department to make bricks Now, Sir, with regard to the complaint of the without straw, but I have not yet found any honourable member for Napier that the total honourable member who can do so himself. cost of the Royal visit to the colony is not The following is a comparison of locomotive given in the Financial Statement, I would say rolling-stock on the New Zealand Railways on that all the Government can do is give in the the 31st March, 1895, and the 31st March, Statement the actual charges that have been Government would attempt to keep back any be done. The Government have no reason for this Imperial visit. It was a great and memo- rable visit, the cost of which the country will not in any way grudge. Sir, that is my answer to the honourable member for Napier. With ber for Ashley, perhaps I should say- But of all plagues, good Heaven, thy wrath can send, Save, save, oh ! save me from the candid friend. I would ask, What is his idea on finance in connection with the supply of



rolling-stock for our railways? Why, Sir, he suggested that out the whole of our rolling-stock ; but what would that mean compared with an ordinary business transaction ? If a business-man proposes to erect a structure at a cost of, say, £20,000 in order to further develop his business, would a millionaire and could spend his own I taken from the pockets of the people. The

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1901, showing the actual increase and what the increase should have been in proportion to increased traffic :-- Locomotives. Brake-vans. - CarR. Stock on 31st March, 1895 .. 269 498 204 305 603241\|10,627 Stock on 31st March, 1901 .. Increase, 1901 over 1895 36105\| 37 What increase should have 169314 129 been had stock been added to in proportion to traffic -viz., 63 per cent. Deficiency on basis of in- 133 209 92 31st creased traffic to March, 1901 . Stock ordered and to be built 59'117 27 year ending 31st March, 1902 65 74 92 Deficiency to 31st March, 1902 That, Sir, shows matters accurately, and also gives the present position. Some honourable members complain that the Government has done wrong by going out of the colony for its rolling-stock, but I wish to emphasize the fact that had we not done so the whole country would have been in a complete mess. We have made all we could with the appliances at our disposal in our own country, and we have also imported, and we are still far short of what the Some honourable growth of traffic demands. members say that we ought to have got the rolling-stock from Great Britain, and not from America. To this I would say that I too believe in going to British countries for what we cannot make here ; but what are the facts in this parti- cular case? Although we distributed an order over four different firms in Britain, they have not yet delivered more than half the supplies. Although this may seem strange, it is never- theless true that if we had gone to America for these supplies we would have had the whole of it in the colony within five months from the time of giving the order. That is the difference between the two count ies. and why the colony was compelled to place a portion of its rolling- stock in America. Time was of the first conse- quence to New Zealand, and we spread our orders in Great Britain over four manufactur- ing firms and have not got our supplies vet. Everything we ordered from America for prompt delivery was got long ago. Now, I want to point out to honourable members, in regard to the complaint about the difficulty of the truck-supply, what has been done in New Zealand compared with other countries, and that is the only way in which to judge this matter. The following is a comparison of the tonnage carried in the various colonies, with tons carried per wagon, for 1900-1901 :- Sir J. G. Ward Tons Tonnage carried Colony. Wagons carried. per Wagon. New Zealand 3,461,331 10,868 318 .. Wagons. Cape Colony 1,261,03% 7,412 170 .. Queensland 1,688,635 6,141 275 .. South Australia 236 1,488,985 ; 6,288 Westralia 1,384,040 4,777 289 Tasmania 8,264 312,446 1,166 268 From this return you will see that we have 2,363 carried 318 tons per wagon, as against 289 tons, the next highest. This clearly indicates that 5,206 our wagons have been used over and over again. and that the very utmost has been taken out of them. Now, I shall give you another comparison of what has been done in New Zealand 2,843 and other countries with regard to locomotives. The following is a comparison of the tonnage hauled in the various colonies, with tons hauled 1,812 per locomotive, for 1900-1901 :- Tons hauled 1,031 Tonnage Colony. Locos i per hauled. Locomotive 305 New Zealand 3,461,331 11,348 475 Cape Colony 1,261,038 2,654 .. 835 Queensland 1,688,635 5,040 353 South Australia 1,488,985 4,218 233 Westralia 1,384,040 5,940 Tasmania 67 312,446 4,663 .. That is an enormous strain that is put upon the railway-wagons in this country. We have a traffic per locomotive of almost double that of any of the other countries named. An Hon. MEMB+ R .- What section ? Sir J. G. WARD .- Over all the railways of the colony. I allude to this important point to direct the attention of honourable members to that which I think they ought to know . that the enormous burden of traffic going on here has been a tremendous tax on the railway rolling-stock, including locomotives and wagons, to say nothing of the tireless energy it has en- tailed upon the staff ; and that the complaint has been minimised

to a large extent is complementary, I think, to the railway service as it ought to be pleasing to every member of this House, and it certainly must be satisfactory to the country as a whole. From what I have shown I do not think the honourable member for Ashley, the honourable member for Kaiapoi, or other members who have spoken have any good reason for seriously complaining as far as this branch of the service is concerned. We will not cease to do our utmost to improve matters, and I hope, before I am done with the railways, to still reduce any cause for complaining. Now, with regard to the appointment of Mr. Louisson to the Legislative Council, the member for Ashley made a strong

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connection with that matter. It was a very is no authority. I said, any great authority on finance. I had not for a moment thought of unfair charge, and for this reason: I tell the the honourable member for Bruce in this re- House that the promise made to appoint Mr. spect. I repeat, if the honourable member for Louisson to the Legislative Council was made before the Right Hon. Mr. Seddon was Dunedin City (Mr. Millar) read some of the Premier of the colony at all. It was made great financial authorities he would find that before his time. I suppose members of this what I said was correct : that, as long as you House know that in all matters of the kind are borrowing, to set aside sinking funds is im- no man can get to the Legislative Council proper. I can show that this is so very easily. before he is invited to take a seat there ; Supposing a man was building a warehouse to cost £20,000 and he was building it by degrees and surely it will be an unfair position for any Government to ignore a promise made to cover a period of, say, five years. He bor- in an honourable way. I have not heard rowed £5,000, in the first instance, and spent yet-though I have heard honourable mem- it on the first part of his building. Now, would bers taking exception to it-I say I have not not he be the quintessence of an idiot if he put beard, in all my travels, any one in Canter- away £500 every year to pay off that £5,000 for bury say a word against the personal character a building which was to cost \$20,000, and of Mr. Louisson. He has occupied the honour- upon which he had yet to expend £15,000? able position of Mayor of the principal city of Canterbury, and he is highly esteemed ; and surely it cannot be because of the nature of his lions, what is the use, for the mere sake of business that the opposition to his being a telling the world and the people that you are Legislative Councillor is shown : that cannot paying into a sinking fund - what is the use be so, as no man's calling should debar him of putting your hand in your pocket and paying from taking an honourable position politically, five or ten thousand a year if two or three if. he ob ained it in an honourable way. The years afterwards you are going on to the money- Government in this matter are perfectly clean- market to borrow more ? According to some of handed, and Mr. Louisson is perfectly clean- the best financial authorities it is absolutely handed ; and whatever opinion may exist in re- ludicrous to create a sinking fund to repay a gard to the appointment, it was made in a fair loan while you are still borrowing. It is far and honourable way, and wi hout anything im- better to get your money as cheap as you can- . say, 3 per cent .- and provide for the legitimate proper being done by either the members of the Ministry, or of Mr. Louisson. requirements of your country's wants. And yet members have been declaiming before the An Hon. MEMBER .- It was the result of a people of the country to try and make them promise. Sir J. G. WARD. - Why should not the pro- believe that something improper has been done in connection with the finances of the colony mise have been made ? An Hon. MEMBER .- It was in fulfilment of a because the sinking funds have been released. Another fallacy was propounded by the honour- promise, and not as an honour for Canterbury, that Mr. Louisson was called. able member for Dunedin City (Mr. Millar). Sir J. G. WARD .-- Why should not the He referred to the fact that the Government had allowed the Bank of New Zealand to sell promise have been made ? If a promise was \$500,000 of preference shares, and he expressed made that in the future the honourable mem- ber should be transferred to the Legislative the opinion that it would have been better to have retained these and to have allowed the Council, we should

fulfil it; and if any honour- able member took exception to it we would be £500,000 to have been paid off the guaranteed \$2,000,000. That is a debatable point which able to point to the fact that it was not because I am not going to discuss now, as it would take my honourable friend was a Prohibitionist that more time than is at my disposal; but he pro- he was called, but because of his character and fitness. and that that was the reason why he pounded the extraordinary theory that, because \$500,000 had been paid to the Government was put there; and that is why Mr. Louisson is there. I hope, Sir, to see the honourable it would mean a loss to the colony of some £17,000 a year. I never heard such a thing. member there some day, and I trust he will If the colony gets £500,000, and invests it for live long enough and until he is old enough to be there. Now, Sir, the honourable member the benefit of the people in, say, purchasing for Dunedin City (Mr. Millar) made one or two estates, and opening them up for settlement, or in making roads or railways, does it not create extraordinary statements. First of all, he said an asset, and earn interest on it as soon as it is that the colony had lost live assets by the used ? The very reason we get it is that it may sinking funds being released. I never heard be invested for the benefit of the people, and to such a statement made as to lose live assets because the sinking funds are released. Were say that we are incurring a loss because we are getting this \$500,000 is not justified by the they live assets before they were released ? position indicated by the honourable member. Were they not invested assets ? If he will Then, again, it was astonishing to listen to the read some of the great authorities on finance honourable member for Riccarton on the ques- he will find that, as long as a colony is borrow- tion of the alteration made by me when Colonial ing, it is wrong and improper to create a Treasurer in connection with the drawn loan. sinking fund. Did honourable members not hear the honour- An Hon. MEMBER .- Rubbish. Of course he would; and if the country 3.30. is borrowing ten, twenty, or fifty mil

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system had not been adopted by the colony we should be paying £180,000 a year more for interest than we are paying now ? An Hon. MEMBER .- He put it in a different Way. Sir J. G. WARD .- He may have done so, but that is what the honourable member for Riccarton conveyed. I am glad to hear that the honourable member for Wakatipu is the keeper of the honourable member's intentions in his absence. I listened to the honourable member for Riccarton. I may, of course, have made a mistake as to what he said ; but I am generally fairly well able to grasp a thing-I hope, as able to do so as my honourable friend- and what he said was that if we had not gone in for this drawn-loan system we should be pay- ing £180,000 more interest than we are now- in fact, I think he gave our interest account with this amount added to it. What was the system adopted for ? Why, for one reason, to effect a saving in interest ; and, having effected it, to come and tell the House that if we had not done a particular thing at a particular time we should be going to leeward to the extent of the saving is about as logical as saying that if we had not borrowed money at all New Zealand would not owe any money. Of course, that is logic, according to the honourable member ; but for the honourable member to put forward such a statement as that, in order to show how much worse off we ought to be to-day, is a most extraordinary thing indeed. The honourable member for Riccarton complained about the increase in the indebtedness of the colony, and honourable members must have noticed his quivering voice-indeed, you could almost see a quiver in his eye from here-when he said that he actually trembled to think what the consequences might be if we were not able to obtain money in the English market in twelve months from now. He might have said that, unless the people of this country were completely bereft of their senses, and had a set of men on these benches who did not know how to steer the colony in times of trouble, then disaster might arise. Any one can carry things on under easy and favourable conditions ; any man can sail a ship in a fair wind ; but it re- quires a navigator to be at the helm, assisted by a loyal and non-mutinous crew, when the ship is in troubled waters off a lee-shore, to steer it off the shore and into placid waters. What is the lee-shore so far as this

colony is concerned ? Is it that, in consequence of some important statement in connection with the colony's finances which was alleged to have been made by the Premier, but which he has given the House his assurance time and again he did not make - is it because of that statement we are going to be told that the country is getting on to a lee - shore? What is the dangerous coast under the lee of the ship that we have and require to claw off from ? If honourable members want to know what is the real trouble-what is the difficulty-they have got to look a long way from New Zealand ; they have got to look to South Africa for the real Sir J. G. Ward Government is - and rightly - warning our people to assist them, and assist themselves, and assist the colony in steering clear of the lee-shore of trouble, and especially so during the next six months. Now, what is the trouble to which I allude? Anything in connection with our own colony's affairs-either its finance, its trade, its or laws ? Nothing of the sort. Honour- able members know that millions of money have been teeming out of the English Ex- chequer in order to carry on the South African war, and they know that as the result of that. trouble the drain upon the resources of the people of the Old World has been extraordi- narily great ; and that, as a natural corollary in consequence of that, money for the time being has become tight there, and the rate of interest has ruled somewhat high. But when members hear the honourable member for Ric- carton drawing an indication from that, and stating that the people of this country may, if certain things occur, be trembling on the brink of ruin in the next twelve months, I say it is an insult to his own intelligence and to the intelligence of this House, as it is an insult to the stability of this country. Sir, I say the Government could go on the English money- market if they chose to do so now and get all the money that this colony wants, providing we liked to pay more than our country's credit entitles it to get its money for ; and we can do so at any time during the next twelve months. But what are the Government going to do with the trust that is placed in their hands? They are determined, Sir, not to commit the people of this colony to the payment of an unnecessarily high rate of interest for a longer period than is necessary, and until the trouble in South Africa is settled, and until the lee-shore which that has provided for the ship of " Finance" has been weathered, we say we are determined to do our navigating prudently. There will naturally then be a lowering in the price of money in the English market. Sir, then will be the right time for this colony to go on the London money-market for its requirements ; but to talk about this colony being embarrassed, or likely to be embarrassed, on account of this tight- ness at present in the English market, and to talk, as the honourable member for Riccarton, and the honourable member for Nelson City, and the honourable member for Ashley, and a number of other members talked, about the country being in difficulties, I say is abso- lutely contrary to what is the fact. Sir, even if we were in difficulties, is it not the duty of the Government, is it not the duty of our public men, to point out to the people the way in which we should go in order to steer clear of these troubles ? But would any man who wants to extricate himself from a difficult position go and croak and preach that he was going to irretrievably fall ? Certainly he would not. He would make up his mind that he was going to do his utmost to weather the storm, and he would preach it, and in accordance with his preaching, if there was anything in him, in time he would succeed in doing so. He cer-

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Postal are for the revenues actually received doomed, and disaster was upon him. And so it is, Sir, with the country. Some honourable during the five months of the present financial members of the Opposition have all along been trying to ruin this country ; they have been running it down continuously by decrying the the Postal Department for the five months is Government and all its works and actions, and there they have sat silently by during this that the revenue is only £8,400 to the bad ; and debate and allowed a few members on this the Customs, £11,000 short ; while the Excise is side of the House who have fallen into the able members-and the member for Franklin trap to criticize and condemn the adminis- tration of the affairs of the colony in re- gard to what they call large additions to the debt of the colony. And, Sir, who

helped to make those additions to the debt of the colony ? Did the honourable member for with responsibility on their shoulders, they can Dunedin City, did the honourable member for screw themselves up to such "blue" predictions Ashley, did the honourable member for Nelson with the actual facts the other way. And yet, Sir, I have no doubt the honourable member is City, the honourable member for Wairarapa, and the honourable member for Riccarton, a million of money for the North Island Trunk since they have been in the House, not support the Government in these matters ? Undeniably Railway, and as much more as he can get for they did; and yet we have these honourable other works. Now, one word about the public gentlemen, after the Government in their debt. Honourable members have had com- Financial Statement have clearly indicated that parisons made for ten years-the ten years the colony is in a solid and sound finan- previous to 1890, and the ten years pre- cial position, but that it is desirable, owing vious to 1900. Now, I am going to tell the to circumstances over which we have no con- House what that means. For the ten years trol, to exercise reasonable precautions, im- previous to 1890 the colony was borrowing mediately trying to bring about a financial £240,000 per year gross and £260,000 net more crisis, if they could do it by preaching to the than it had been borrowing during the ten years people of the trouble in the financial world, from 1890 to 1900; and if those honourable knowing very well that if such a disaster members believe that ten years ago it was an were brought about it would not only affect improper thing for the colony to borrow money the colony, but that private individuals and all for making railways, roads, bridges, and the private undertakings would suffer most, absolute hundred-and-one other things which it is the ruin probably overtaking many. Now, Sir, duty of the colony to undertake, why did they I want to say a word about the financial not oppose that policy before their constituents ? position. We have heard predictions that They did not simply because they knew per- the colony is retrogressing, that it is going fectly well that the development of all new or backwards and downwards-everything but young countries cannot be effected without forging ahead. How do they coincide money, and if the people themselves had not with the indication we have had from the the necessary money it became a necessity to Commissioner of Customs giving us the position borrow it. Out of these loan-moneys invested, of the Customs Department, showing it is only almost eight millions - made up of land £11.000 behind what it was last year, although settlement, £2,075,566 ; advances to settlers, the Customs duties remitted were over \$150,000? £2,380,000; loans to local bodies, £1,205,900; lands improvement, £500,000; Bank of New The excise duties are ahead of what they were for the same time last year by \$2,600. What is the position of the railway revenue, which is land Consols, £459,389 ; district railways, £47,000 ; additions to open lines, \$625,000; another of the great departments of this colony? The railway revenue is \$65,800 more than it was dairy industry, \$1,781 -- is direct interest-earning to the colony; and there is no honourable mem- last year, although we reduced the railway rates by some \$75,000 for the year. The revenue ber on that side of the House-and certainly not the member for Nelson City, the member for the corresponding period last year was, in round figures, \$642,000 ; for this year up to date for Ashley, and the member for Riccar- it is \$708,000. Now, what is the revenue of ton-who will say that the advances to the Postal Department for the same period ? local governing bodies, running up to Why, notwithstanding the enormous conces- £1,205,000, as against \$250,000 for the previous sions that have been made by the introduction ten years, is not to meet the necessities of local government. Now, as to the question of the of the penny-postage, which meant giving away public debt, I am one of those who has always \$80,000, the revenue is already \$193,900, as believed that it is most desirable that this colony against \$202,300 for last year-only £8,400 less should not borrow excessively. I believe so still. than it was for the same period last year before At the same time, I am most distinctly of opinion that enormous concession was made in regard to that for many years to come the colony will the penny-postage. An Hon. MEMBER .- How long is the period ? require to obtain the necessary moneys to meet the many functions the people themselves have Sir J. G. WARD .- It is for the five months decided that the State is to discharge. And up

to the 31st August. All the figures I have year. Now, Sir, honourable members know that the position of the railways for the five months is £65,800 to the good ; the position of £2,600 better. And yet we find some honour- among others-telling the House and telling the country that the financial position of the colony is not sound and that the colony is going to ruin. It is almost pitiable to realise that, at the same time prepared to take a quarter of Zealand preferred shares, £500,000; New Zea-

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railways alone, to say nothing of the other great national assets the colony owns. I hold in my hand a list of the railways in England and in the United Kingdom. I will read them :- Total Capital paid up and Name of Company. raised by age of Loans and De- Track. benture Stock. Great Central .. 41,560,757 Great Eastern .. 49,689,446 Great Northern 54,512,564 Great Western .. 84,424,177 Lancashire and Yorkshire 61,904,515 London and North Western 118, 126,653 London and South Western 43,491,491 London, Brighton, and 25,038,616 South Coast London, Chatham, and 27,692,841 Dover Midland 170,550,931 .. North Eastern 72,149,145 . . South Eastern .. 27,169,635 Caledonian 58,567,502 . . Glasgow and South West- 21,739,816 ern North British 56,229,843 1,242 .. .. New Zealand 17,207,328 2,212 . . In England and Scotland there is only one railway company that has a mileage greater than we have got. And the majority of them have a shorter mileage of railway than we have. Then, take Canada and America, - Mile - Name of Railroad. Total. age of Track. Boston and Maine 10,765,567 1,715 New York, New Haven, 20,049,598 2,047 and Hartford Baltimore and Ohio 2,023 45,117,099 Central Railroad of New 16,618,120 Jersey Erie .. 64,032,708 2,109 .. 18,376,235 Middle Atlantic 1,396 New York Central and 67,426,996 2,394 Hudson River Lake Shore 22,190,400 1,413 New York, Ontario, and 16,168,520 Western Reading Railroad 1,456 44,335,500 Chicago and North Wes- 5,076 44,335,500 tern Chicago-Burlington 59,065,000 7,249 .. Chicago-Milwaukee 48,200,000 6,153 .. Canadian Pacific 55,900,000 6,500 Canadian Grand Trunk .. 67,038,302 2,963 It will be seen that there are only six com- panies with a greater extent of railways than New Zealand, and before many years pass by Sur J. G. Ward of the world. All I would ask is that in judging our position, without taking too optimistic a view, honourable members and the people of the country should try and grasp what the value of this magnificent asset will be as the natural development of the country progresses. It is impossible for any one to approximately specu- Mile- late, but it is certain that the value of our railways will be so greatly enhanced that they will largely minimise the public debt of the colony. Why, even if you take the United Kingdom-and there private companies are the owners-the value is greater in nearly every one 483 than is the case in the Colony of New 'Zea- 1,110 land. Then, during the last ten years, the 825 national asset of the State-owned property has 2,602 increased in value over five millions according to 556 the statistics of the colony, and yet honourable 1,924 members point out-at least, some of them do- 900 that there is not a very satisfactory state of 438 affairs so far as the finances of the colony are concerned. Now, let us again take the railways 608 as a case in point. This colony has had to convert large lengths of our rails from 301b. to 40 1b. ; 1,431 from 40 lb. to 52 1b. and 53 1b., and from 53 1b. to 1,632 56 1b., and lastly to 701b. So far as our rail- ways are concerned, we may say we have remade 939 our tracks more than once in order to meet the 394 exigencies of the ever-growing traffic ; and is there a member of this House who will say that that was not only a good thing to do, but it was unavoidable ? As our traffic grew we had to in- crease the weight of our rolling-stock, and now we have fixed our tracks finally at the maximum of 701b. Now, I want to say a word about the honourable member for Palmerston. That honourable member made a statement about the amount of money available in the banks and the savings - banks of the colony. The honourable member is not here, but he knows he made the statement, and I indicated to him to-day that I was going to refer to it. Sir, the honourable member said there were eighteen millions of money on deposit, that there were three millions in cash and bullion, and that there was invested fifteen millions of money, and

consequently this money was not available for the people. Does the honourable member mean to tell us that if you borrowed five millions of money in England to-morrow you would bring the gold to New Zealand, and that it would be available to the people ? There would be no transport of gold from the Old Country here except to the extent of the necessary balance of bullion to regulate the trade and the necessary requirements of the banking institutions concerned. I say that during the last few years, for the first time in the history of this country, there has been more money deposited in the savings-banks and other banking institutions of the colony than is required for the carrying-on of the ordinary trade of the colony. It is the first time in the history of the colony that these banking institutions have not had to go to England to obtain, in some instances, four and five millions of deposits, and in some instances, I believe, more than the amount I have

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made by the abolition of the extra charge on the people from one end of the colony to the the Rimutaka Incline to \$700 per annum. other, and the country is to be congratulated upon it ; but yet a member of the Opposition ferred on the farming community by providing tries to minimise this splendid feature of our in the regulations that farmers and others country's progress. Now, I want to say one may combine, and thus obtain small lots word to the honourable member for Patea. He of manure, et cetera, at a cheap rate. There is a new member, and has not had a very great is also a reduction in passenger-fares. Honour-deal of experience in this House, so that to able members surely know that the farmers re- some extent one ought to be a little lenient in quire to, and do, themselves and their families, referring to the statements he made. But I want to call attention to one utterance he de- travel over the railways. livered, which I think is only right I should reduction in fares. reply to. The honourable member said that \$46,000 of remissions on railway rates were Where did the given to the South Island? surely must know that there has been an honourable member get that from? The enormous reduction in fares. honourable member, if he got it from anywhere, got it probably from some wrongly informed bers do not know what they are talking about. newspaper, which has led him and others into The reduction on single fares is 30 per cent., the belief that the Government was differentiat- ing in regard to railway rates as between the but on return fares between 9 and 10 per cent. two Islands. Sir, it is absolutely incorrect. The whole system of the change was to bring There is no such thing in the whole tariff. about cheapness and uniformity, and to do away with the abominable method of return fares There is not a rate that does not apply to the under which many people of this colony lost whole colony, except it be where water-carriage what they had paid for the return half of their is competing with the railway, where special tickets. If a man took a return ticket under rates are made, and these are to be found in both Islands. But to say that there is a dif- the old system and he could not come back within a specified time, he lost his ferentiation in rates as between the North and money. The honourable member does not South Islands is to say that which is contrary to pay for the tickets he uses himself, but he fact, and I challenge either him or any one else travels over the lines, and he knows that to give the instances in detail. They cannot, because they do not exist. Then, the honourable thousands of people under the system of return member went on to say that the reductions tickets lost their money, because they frequently could not avail themselves of the second portion made were of no benefit to the farmers, nor, he said, was the penny-postage. Now, let of their return ticket, and the system was un- satisfactory to every one concerned. Now we me tell the House what the Government in have a system under which every one is treated this respect has done for the farmers since alike. And what we intend to do before very the railways came under Ministerial con- trol in 1895. We have reduced the rates on long is to make concessions, and allow persons with single tickets to break their journey at any milk and cream for cheese-making, butter and cheese, chaff, turnips, lime for ordinary pur- station until they get to the end of it, and con- tinuing until the ticket is exhausted. Under poses, lime for manuring

farm lands, grass- the old system of return tickets, nine people out seeds returning from seed cleaning establish- of ten, when they were quite sure that they would ments, sheep, wool, empty butter and vegetable not be able to go back within the specified time, packages, phosphorized pollard for extermination- paid a high price for a single ticket-30 per cent of rabbits, New-Zealand-grown vegetables, cent. more than they do now. We have made green flax, agricultural produce, dairy produce, an enormous reduction in the single fares, and onions, bonedust, guano, manure, salt, rock- the public have shown that they appreciate it salt, linseed, beans, bran, native flax, flour, fully. peas, sacks in bales and bundles. The following mitted that there has been a 30-per-cent. reduction is approximately the value for one year of the tion in single and a 9-per-cent. reduction in concessions granted for the principal articles enumerated : Reduction of live-stock rates, return fares. 225,000 ; chaff, lime, et cetera, \$3,000 ; agricul- fare except the tourist. tural produce, \$40,000; manures, \$1,000 ; free carriage of lime for agricultural purposes and sense. The average tourist who comes to this concessions on butter and cheese, \$5,000 : colony does not take either a single or a return total, \$74,000. In addition to the foregoing ticket, but he takes an \$8 excursion ticket for concessions on articles which may be said to be the whole colony. I want to say one word produced, or mainly used, by the farming com- about my honourable friend Mr. George Fisher, munity, farmers have been materially benefited M.H.R. - " the people's George," the ladies' by the reductions of rates made for iron and favourite, the man's hero, and the Demosthenes other articles of merchandise which are in of the House. He made a statement to this every - day use by them. For instance, the effect : that Sir Robert Stout formed the Bal- abolition of the extra charge of 1d. per mile on lance Administration. I say that, to my know- merchandise goods carried over a large number ledge, he did nothing of the kind. The man of the branch lines of the colony was equivalent Further, material advantage has also been con- An Hon. MEMBER .- There has been no Sir J. G. WARD .- The honourable member An Hon. MEMBER .- 9 per cent. Sir J. G. WARD .- Those honourable mem- Those honourable members have ad- An Hon. MEMBER. - Nobody requires a single Sir J. G. WARD .-- That is all stuff and non-

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Mr. Ballance. He may have-and if he did I do not blame him for it, because it is well known that he and Sir Robert Stout were on terms of the closest friendship-he may have probably consulted Sir Robert Stout ; but it was Mr. Ballance who formed that Administra- tion. There are two Ministers in the present Government who were members of that Ad- ministration, and they know the facts with respect to that matter. I therefore feel sure that my honourable friend will, on further reflection, agree with me that he was not so accurate as he usually is when he made that I have alluded to it because I statement. think it is not fair to the late Mr. Ballance that an impression should be formed that he was a dummy in the matter of the selection of his colleagues, and that it was formed by another, even though the gentleman referred to was a close friend of Mr. Ballance. Now, I want to say one word about the grain contracts. The honourable member for Franklin referred to this matter. I want to tell the House that the Government, so far as these orders are con- cerned, acted in accordance with the require- ments of the Imperial War Department. The New Zealand Government until quite recently had only two contracts to make for the Im- perial Government. In the case of the first contract we invited public tenders, and accepted the lowest tender ; and in the case of the second contract the Government accepted the offer of the next lowest tenderer at the price of the first contract. I would like to add that there was not a bag of grain shipped under these con- tracts with the Imperial Government that was not examined by independent Government graders on behalf of the Imperial Government. I may point out also that some thirty thousand sacks of grain were rejected, showing, I think, that the work of inspection was very well done. At all events, the Government have received no complaints as to the quality of any of the grain sent from this colony to South Africa; and



that speaks for itself, and is surely a very good thing for the reputation of our colony. Then, with reference to the question of publicity being given to the details of these contracts, I may say that we have had Victoria competing against us in these contracts, and I contend that it would have been against the interests of the farmers of this country if we had given publicity to the details of the contracts. However, the whole of the information concerning these matters will be laid on the table of the House, and honourable members will then have an opportunity of considering the matter fully. An Hon. MEMBER .- Will you do it before the session is over ? Sir J. G. WARD .- Yes ; the information will be laid on the table before the session is over. Now, as to the general position of the colony : What better indication of the splendid, nay, the marvellous, progress of the colony from the 30th September, 1890, to the 30th September, 1900, can there be than the following :- Sir J. G. Ward Increase. Population (excluding the Maoris) 143,696 .. Total imports (value) £3,675,853 .. Total exports (value) £3,675,986 Total exports, produce of the colony (value) £3,718,120 . . Export of -- Wool (quantity) 42,307,330 lb. .. £729,851 (value) Frozen meat (quantity) .. 1,212,677 cwt. £1,281,557 (value) Sheepskins and pelts 3,294,370 ... (quantity) Ditto (value) £190,361 .. .. Butter (quantity) 123,891 cwt. .. £567,333 (value) .. Cheese (quantity) 62,486 cwt. £138,446 (value) .. . Gold (quantity) 155,038 oz. (value) £573,141 Coal, Output of (quantity) .. 337,837 tons. (value) £168,919 Occupied holdings 24,307 Land in cultivation 4,476,037 acres. .. Occupied area of land 2,555,148 acres. .. Sheep 3,232,393 .. Cattle 390,308 .. Miles of railway open for traffic .. 354 Miles of telegraph-line open 1,850 Deposits, Post- Office Savings-Bank £2,878,494 Value of land and improvements £16,366,318 In every instance there has been an increase during the last ten years. At the present moment the revenue of the colony is buoyant. There is no reason whatever why any one should fear the theoretical propoundings of people who appear to be afraid of their own shadows. But there is something I say we should fear, and I say it now with all the force that one individual can. If you want the country to be prosperous and to progress at the rate at which it has been going ahead for the last ten years-if you want good to result to the great mass of the people of the colony-you do not want to have your public men and your newspaper Press frightening themselves first, and then their neighbours, and trying to create the impression, both in our own country and abroad, that the bottom has already dropped out of the colony, or that it is going to drop out in the future. Sir. I will tell the House what we want: While caution is desirable, nay, necessary, in view of the extraordinary circumstances beyond the colony, to which I have alluded, you want your public men to be possessed of a certain amount of courage, and even boldness. Are we to say we are going to reverse the present policy of progress, to stop public works expenditure, to turn out the co-operative men, to limit our land settlement, to restrict the money to be advanced for the assistance of settlers, and to injure the great industries which are the very heart-blood of the colony-

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authority-some person who formed one of a deputation to the Right Honourable the Premier-gave to the Press a most gloomy and depressing, and, withal, an incorrect report of what was alleged to have been said by the Premier to the deputation that waited upon him ? Surely not. Our confidence cannot forsake us upon any such flimsy pretext. If, as I say, it is in consequence of this that we have found honourable members taking fright and trying to create the impression both at home and abroad that the country is going backward, I say, let them look at the real solid facts of the case, and, if they do, all such grounds for fear will disappear. Mr. DEPUTY.SPEAKER .- Time is up. Mr. HUTCHESON (Wellington City) .- Sir, however gloomy the temperament of any member of this House may be, he certainly must be cheered after listening to the ultra-optimistic speech we have just listened to from the Hon. the Postmaster-General. When one is in the "blues" a little bit, although the advice tendered may not exactly stand the logic of hard facts, it is, at any rate, pleasing to have a rosy picture delineated to one, and

certainly we have had a most rosy picture of the colony's finances from the Hon. the Postmaster-General. But I must also note that it was distinctly at variance with the whole spirit of the Financial Statement of his colleague the Hon. the Premier. The key-note right throughout the Financial Statement is caution and prudence; and not until the last half-dozen words of the Postmaster-General did he utter a single word of caution, or admit for a single moment that there was any necessity for caution or prudence. However, as I propose to deal with the various items in the Budget a little later on, I shall first of all refer to "Do you include the Maoris?" Mr. Seddon: some of the statements made by the Hon. the Postmaster-General. He took the member for Franklin to task for having made a statement in his speech to the effect that the Premier had understated the amount necessary for the payment of old-age pensions, and he alleged again, as the Premier has already alleged and reiterated by interjection this afternoon, that it was not anticipated that pensions would have to be provided for impecunious Maoris. Well, if the records of the House are true records, it will be interesting to read to the House what they say on that point. Before I do that, I wish to say that the Premier knows my attitude towards the old-age pensions. In his inmost soul he knows he had no more ardent, enthusiastic, and thick-and-thin supporter of the Old-age Pensions Act than I was, and therefore I do not refer to this matter by way of impugning the principle of the Old-age Pensions Act. This is what I find in Hansard. In 1897 the Premier took the floor to speak on the second reading of the Old-age Pensions Bill, and there were a few passages-at-arms between him and measure is being drafted. Therefore the various members. Mr. Heke asked, "Will the Premier explain in his speech how it is the Native race is excluded from the pensions for the Maoris. Bill? He should first make himself sure that they are excluded." Mr. HEKE. - I am satisfied of that. Mr. SEDDON. - Then, I inform the honourable member that he knows nothing whatever about it, for they are not excluded, but are included." Sir J. G. WARD. - Look at subclause (1) of clause 63. Mr. HUTCHESON. - The honourable gentleman's explanation of Mr. Massey's charge was that, in the first instance, the Premier had not anticipated providing old-age pensions for Maoris. I am simply quoting the evidence as I find it. Subclause (1) of clause 63 of the Bill as originally introduced in 1897 says, "This Act, in so far as it provides for the grant of pensions, shall not apply to, (1) Aboriginal natives of New Zealand to whom previous pensions are paid out of the sums appropriated for Native purposes by 'The Civil List Act, 1863.'" So that all indigent Natives other than those already provided for out of moneys voted for Native purposes shall be eligible for pensions. Going a further stage, we find that the Bill says- Mr. SEDDON. - What are you reading from? Mr. HUTCHESON. - I am now quoting from the Bill of 1897, as it was reported from the Committee of the whole House. Sir J. G. WARD. - It was not in the first one. Mr. HUTCHESON. - It was from the first Bill, as originally introduced, that I have just quoted. Now, the amended Bill says precisely the same thing. Now, Sir, let me refer to Hansard of 1898. I find that while Mr. Seddon was speaking Mr. Herries interjected, "The Maoris are conditionally included." Assuming that reply to be couched in diplomatic language, yet the Premier must have been aware that, in all probability, he would have to provide pensions for the Maoris. Mr. SEDDON. - You should look up all that I said. I gave the census returns, and based my calculations on them; but I had no census returns with regard to the Maoris. Mr. HUTCHESON. - I do not undertake to cross-examine the Premier on this question; but I must revert to the original statement I made-namely, that in introducing the measure the Premier, in the Bill and in his speech, declared that the Maoris were included. Mr. SEDDON. - One Bill said "No," and the other said Maoris might conditionally have pensions. Mr. HUTCHESON. - In any case, the Bill had to be perfected before it was submitted to the House. The sinews of war are the first essential to the success of any scheme, and ways and means must be considered when any Premier must, in his original Bill, have had in view the probability of having to provide pen-

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this matter any further, as I have others to refer to ; it is sufficiently clear to any unbiassed mind that what I have stated is absolutely correct. Now, there are one or two other statements the Postmaster-General made that I would like to deal with too. I cannot help being struck by the nautical turn of mind honourable Ministers have developed. Like his namesake, Sir Joseph, of "Pinafore" fame, if the honourable gentleman continues in his line of political navigation he may become some day a "ruler of the Queen's navy." I was rather pleased at the nautical terms, and the facility with which he worked off a lee-shore-under close-reefed topsail, I suppose. And he got the good ship "Finance," I suppose, into placid water immediately he got her off the lee-shore. He may have got her into open water, but if he was on a lee-shore under such conditions as he depicted I hardly think it likely that he would find placid water quite so quickly and conveniently as he did this afternoon. The honourable gentleman accused those of pessimistic frame of mind, both on his own side of the House and in opposition, of having spoken disparagingly of the large salaries paid to heads of departments, and he gave us a comparison of the salaries paid for various offices in New Zealand and other parts of the Australian Continent quite to the disadvantage of our colony. Well, I am one who has always held that the servant is worthy of his hire, and that therefore the first essential to the proper organization and administration either of a department or a business is having a thoroughly competent, well-paid, and efficient head to that department ; so that in that respect I am not a cheeseparer. It is not in the matter of our large salaries that the leakage is ; but, Sir, we keep here too many cats that catch no mice. It is through distributing the departmental salaries over an unnecessarily large area that renders it necessary for us to starve the heads of departments and the responsible officers, so that on the first opportunity they get of obtaining employment in any other part of the world they immediately leave us. Another statement the honourable gentleman made was with regard to the question of the sinking funds. He said that all financial authorities condemned the practice of providing sinking funds, and he instanced the case of a merchant building a warehouse. He said that if the warehouse was calculated to cost £20,000, and the merchant had raised \$5,000 to start with, it was not good business to provide a sinking fund for that \$5,000 before having completed the raising of the whole \$20,000. Sir J. G. WARD .- That is, if gradually built. Mr. HUTCHESON .- Yes, if gradually built. But, Sir, there is scarcely any analogy there at all, because there is finality to the building of the warehouse, whereas, if we are to believe the honourable gentleman, our scheme of public works on borrowed money must continue till the end of time. There is no stopping-place, he said, in fact, to the continuance of our scheme of public works by borrowed money. to do is to live in the day, borrow all the money we can, and hand the bill along to posterity. Sir J. G. WARD .- I did not say that. Mr. HUTCHESON .- No; I am saying that. I am inferring that there is no finality to public works, and we have been assured time and again that we cannot carry on public works out of revenue taken from the Consolidated Fund. The Premier told us last year the Consolidated Fund had already contributed too much, and he was going to discontinue it, and only through grave anxiety caused by the state of the Public Works Fund has he on this occasion continued what, according to his own statement, is not a proper proceeding, and transferred half a million from the Consolidated Fund to the Public Works Fund. So that if we take the premises of the Hon. the Minister we must continue to be financially correct to carry on the public works of the colony out of borrowed money. Well, I say that many of these public works alleged to be of a permanent revenue-producing nature are not so. Bridges have to be rebuilt-wooden structures especially-in fifty or sixty years' time, and the colony is having the use of these bridges in our time at the expense of posterity, and we are leaving posterity to foot the bill once more. It is not proper policy nor statesmanship to conduct our business in that way. But the whole policy of the present Government has been built and is maintained on the judicious doling-out of public moneys for local works. In this connection the Premier, on a former occasion, stigmatized this city as "cormorant Wellington." But, Sir, I have always found myself in this position : that I have never had to go up back-stairs to beg for the

expenditure of public money in or about the City of Wellington. It is as proud a position as a member could occupy, and, so far as its applicability is concerned, the term was entirely a misnomer. Mr. SEDDON .- Wellington gets the money spent therein all the same. Mr. HUTCHESON. - But Wellington says this in effect : " We are absolutely and entirely independent of the Government, and if you choose to spend public money in public build- ings that is your affair. We do not ask for it ; you do it for a national purpose, and we are not at all indebted to you as a city." All that Wellington asks from the Government is to be left unmolested to work out her own destiny. Now, coming to the Budget, the whole Budget presents to me the air of "Who's afraid ? " Beginning with the first word and ending with the last paragraph, the whole Budget is simply an exposition of " Who's afraid ? " Or, to use another simile, it is as assuring as the invitation of the schoolboy, who, having jumped into ice- cold water to swim, begs his school-fellows to follow, declaring, with his teeth chattering, that the water "isn't co-o-ld a bit." That is the whole Budget from beginning to end. It is in turn truculent and boastful, and apologetic and nervous. Taken as a whole, it is the most undignified Statement which even the right

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honourable gentleman has ever compiled. The | I proceed further what amount of reasonable cheap sneers at the merchants whom he " had " taxation the limited population of New Zea- over kerosene that never was in bond, and the land is compelled to bear. We find, beginning with the year 1890, that the net indebtedness revenue he never got ! Of his predecessor per head of the population was £60 5s. 3d. ; in it is said-and deservedly said-" He loved the people! " It has also, with equal justice, 1891-I ask honourable members to mark the been said of the right honourable gentle- significance of the date of the increase in the man, "He bribed the people "; but the indebtedness per head-£59 11s. 10d. ; in 1892, £59 2s. ; in 1893, £58 2s. 7d. ; in 1894, £57 prominent feature of his public career and the real reason of his success is that he has 8s. 10d .- there it was at its lowest ebb : just successfully fooled the people. Abe Lincoln when the right honourable gentleman was com- said that "You can fool some people all the fortably and safely installed in office it begins time : you can fool all the people some of the to mount up gradually ; in 1895, £57 9s. 9d. ; time, but you cannot fool all the people all the in 1896, £60 2s. 4d. ; in 1897, £60 12s. 9d. ; in time "; and the time is fast approaching when 1898, £60 4s. 11d. ; in 1899, £61 14s. 4d. ; in a sufficient majority of the people of New Zea- 1900, £61 17s. 3d. ; and in 1901, £62 16s. 10d. land will decline to be any longer fooled. Now, per man, woman, and child is the burden of the debt on the people of New Zealand. And Sir. I propose, while dealing with the Budget, I maintain now, Sir, that we have arrived at to predict neither ruin nor disgrace to New Zealand. That is impossible. The very fact that stage which Mr. Ballance spoke so feel- ingly about, when he said we had reached that New Zealand has stood the strain of the prodigality of administration during the last that stage when it was sufficiently serious to compel sane men to pause. Now, the Pre- eight or nine years is sufficient proof that it cannot be ruined. If we were to-morrow on the verge of bankruptcy New Zealand would immediately, if left alone, rise, phoenix-like, from its ashes. It is not time-serving poli- ticians nor bad statecraft that can ruin it, or it would be in a much worse predicament than it is now. But we are told in the Budget that the condition of the country is prosperous. Material prosperity has been with us-there is no gainsaying that - but it is entirely traceable to causes other than either the legis- lation or administration of the present Govern- ment. They have only exercised a policy of expediency, and have been sufficiently worldly- wise to watch opportunities and grasp them. They have simply had horsc-sense enough to see that things were coming their way, and stood aside and let them come. But I em- phatically declare their policy and administra- tion has produced such a state of moral and political paralysis as will yet make itself obvious to the dullest intellect, and will take very many years of rigorous political discipline to eradicate. Now, Sir, I want to show the relationship of the prosperity of the colony to the people-I mean the common people. I want to

show if possible to what extent the mass of the people -the wage-earning classes are prosperous, and what prospect they have to withstand the shock of ill times should that befall them. First of all, let me look at the indebtedness of the colony. The Premier says in the Budget, - " It is well, however, that I should, in respect to the expenditure, urge the absolute necessity for prudence and economy, for, although the revenue is buoyant and increasing, yet, owing to reductions in the Customs tariff, the 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." Observe how seductively he preaches prudence and economy. But his practice squares miserably with his words; his Budget says that ; and his Budget, so far as professions go, realises the position, and confesses the position. But the estimates give the lie to that confession ; that is, he preaches economy and prudence in the letter, but he breaks it in the spirit-that is to say, in the estimates. The estimates are excessive ; so much so that his own most enthusiastic-of course, he says they are "pessimistic "-supporters have demanded a reduction in no uncertain tones. Now, they are honest and sincere, and exceedingly true followers of the right honorable gentleman, and I decline to believe for one single moment that any unworthy or ulterior motive has actuated honorable members such as the member for Dunedin City (Mr. Millar), the member for Ashley, and others who have spoken so frankly. There is no ulterior motive that can be imputed; I decline to believe for a moment that any question of pique, jealousy, or personal slight or affront has weighed with them in their declarations. An Hon. MEMBER .- It is disappointment. Mr. HUTCHESON .- Of course, the honorable gentleman is more within the inner circle, and probably knows more about it. I am basing my remarks on a knowledge of their characteristic truthfulness and earnestness ; and they have, it appears to me, told the right honorable gentleman he is walking in a dark path, at the long end of which there is a pit, and they are asking him to pause and get a light to see where he is before he falls into it. That is the impression that I have, and that, I believe, will be the impression held by the people of the colony when they come to carefully and critically weigh their words and realise the position. I have now shown, Sir, that the public indebtedness per head of the colony has gone up to a sum hitherto unprecedented and undreamt-of - namely, to £62 12s. 6d. Now let us see what is the annual burden on the people of the colony per head

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-on the national debt. On the 31st March, 1900, the share of the burden of interest that lay on each man, woman, and child in New Zealand was £2 5s. 6d. But on the 31st March, 1901, the end of the financial year, the net debt of New Zealand had increased from £46,930,077 in 1900 to £48,577,751 in 1901, and the interest was £1,925,316-that is, exactly £2 10s. per head of the population. A man with a wife and four children, therefore, to bear his proper share of the liability, must pay £15 per annum as his family's part of the interest on the national debt. Now, the Premier has told us that every million adds 10d. per head to the burdens of the people, and, as he now holds authority to borrow five millions, there is an early chance of the head of such a family bearing as his share of the annual charge on the public debt no less a sum than £16 5s. Now, when we come to consider that 75 per cent. of the total revenue of the colony is derived from the Customs taxation, we come right close to where the working-classes live. In Customs and Excise duties alone it amounted last year-1899-1900-to £2 17s. 9d. per head, or £17 6s. 6d. actual payment by the head of a family such as I have quoted. That was the extortionate amount the head of such a family paid last financial year to the revenue of New Zealand. This year -1900-1901-we were told that concessions had been made, and that everything was to be well, the masses were to be coddled and pampered to, and that large concessions had been made to them last year. But what is the amount they have contributed during the year just past ? Not less than the sum of £2 18s. 8d. per head, or £17 12s. for

such a family, being an increase in Customs taxation alone of 5s. 6d. per family. And the Premier tells us in the Budget that- " These figures conclusively prove the wonderful progress the colony has made without any undue pressure upon the taxpayer to contribute to its revenue." Yes, Sir, and it also proves that " Issachar is a strong ass couching down between two burdens," and has become a servant unto tribute. There is no doubt about it, Issachar is a patient ass as well as a strong ass, because he pays until he is no longer able to pay before he thinks of rising in revolt. And we are now told that the people are well-to-do so long as they do not rise in organized and open revolution. And we are told that the fact that the people are able to indulge in these luxuries bearing Customs duties is the best proof that they are prosperous. Could unreason go further than that ? Now, I have endeavoured to discover, if possible, the total amount of revenue collected by the State for which no services were rendered other than policing the people, and I took the Customs duties, the land- and income-tax, the beer duty, and registration-fees. But, of course, the stamp revenue puzzled me-that is, I was unable to discover any reliable data to guide me as to the amount of revenue from stamps for which services were rendered-that is, the value of Mr. Hutcheson By making a guess, and taking a small proportion of the total amount derived from stamps for revenue purposes only, I arrive at this conclusion : that we had raised from these sources for which no services are rendered by the State other than the policing of the State no less a sum than £3,301,963, out of a total ordinary revenue of £5,582,502. Mr. TANNER .- Indirect taxation. Mr. HUTCHESON .- No, not indirect taxation only ; I am including land- and income- tax. So you will see the people pay rather than rise up in revolt and therefore the Premier says that they are prosperous. I have prepared a small table showing how, simultaneously with the highly unsatisfactory rate of increase in our population, we have increased the various items I have alluded to :-

Revenue used for Administrative Purposes and for which no Services (except Policing the People ) are rendered.	Increase since 1900-1901.
Customs duties	2,180,862
Stamps, other than 500,000 (say) 150,000 postage (say)	653,655
Land- and income-tax	111,045
Beer duty	468,393
Registration-fees	85,171
	27,099
	26,042
	67,537
	£3,301,963
	£967,841

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

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conversant with the current prices, because I an enormous ocean tramp-a regular floating warehouse - discharging hundreds and hundred deal in kerosene; I know what I am talking dreds of tons of gold-mining machinery on our about, and I say no benefit has reached the wharves. What does that mean, Sir, to the consumer at all. The middleman has probably people? It means that our foundries are idle collared it.

Again, the Budget says,- now. It means they are practically deserted ; that the busy hum and resonant hammers that ture may be expected, and it is therefore not we heard twelve months ago have gone, and surprising to find that the departmental ex- that the oversea tramp is bringing foreign-made penditure was in excess of that of the previous goods to this colony. Why did we do this ? I year by £289,670 under the annual appropria- am one of those who have no great respect for tions." the gold-mining industry. I am one of those cranky men who believe that gold is a curse practically occurs the leakage in the finances to a nation, and who believe that gold is the embodiment and typification of that which has extravagance of the departmental expenditure, caused all the trouble in the world. And I have no affection whatever for those speculators and boomsters of "wild-cat " mining ventures. I have just as much respect for the man who lays "tote" odds, or who makes it his business to go to the racecourse and lay the odds where he can with profit to himself and ruin to the many, as I have for those gentlemen who busy themselves in gold-mining gambles. That these should be subsidised at the expense Board to investigate the departmental offices, of the wage-earning classes of the country I and see that there are competent and well-paid cannot regard as an act of statesmanship. Is it officers in all the different departments, and to be supposed that if fewer industries grow up only such as are necessary for the proper con- in this country our Customs revenue will be- duct of business in those departments, I venture come more and more buoyant, and that if to predict there will be such a cleaning-out of articles are not being made in the colony, but the State Augean stable as has never yet taken are being brought to us from oversea, it is not a place in this country. In any case, if the detriment to the wage-earners here in our occasion should arise for retrenchment in the midst ? I can understand a protective public service, I trust that at first, at least, it 4.30. tariff, and I can understand a free- will not take the form of reductions in the trade tariff ; but a revenue tariff such as we salaries of those it is proper to retain there, have is devised for no other purpose than for but a saving altogether of the salaries of very squeezing taxation out of the people. If there many who ought never to have been in the public service of the colony, and upon whom was a really protective tariff there would be little revenue from it. If where there is now thousands of pounds of public money are now a duty of 25 per cent. it was raised to 50 per cent., we would certainly get less revenue from it, but you would certainly have a protective would prevent them from leaving us when they tariff. The Premier deludes the people with a get better offers elsewhere, as so many of our lot of cheap claptrap about concessions on the best men have hitherto left New Zealand. Now let us look at the annual increase of necessaries of life. Some of these concessions expenditure. The Premier tells us that it was that were made last year in the way of relaxa- £339,576, made up as follows :- tion of the Customs duties were of such a nature as to be absolutely useless to those for whose benefit it was alleged they were intended. I say my experiences-and I speak after due in- quiry-are entirely different from those of the honourable member for Auckland City (Mr. Fowlds) and the honourable member for Christ- Now, what does this mean to the people church City (Mr. Ell), and I say again that not During 1899-1900, with a population of 759,748, one single penny-at least, locally-has been the actual expenditure was £5,140,127, while saved to the consumer of the goods from which in 1900-1901, with a population of 772,719, the expenditure had increased to £5,479,703. That we removed taxation last year. Kerosene, after a series of fluctuations due to a gamble on the is to say that, while the increase of population part of those who held large stocks, and before during the year was only 1.7 per cent., the Mr. Rockefeller had time to reach out for the actual increased expenditure during the same 6d. & gallon duty we had obligingly made him period was 6.2 per cent. Or, per head of popula- tion in 1899-1900 it represented an expenditure a present of, has now reached its normal equal to £6 4s., and this year of £7 1s. 9d., an rate, and the consumer has received little or no benefit. A case of kerosene is still just the increase per head in the year of 17s. 9d. The cost of government is increasing. The only same price to the consumer as it was before thing that is decreasing is the population. we struck off the duty. Whatever it may be in other parts

of the colony, I can say I have Everything else is increasing-the cost of go- " With increased revenue increased expendi- Now, it is in the cost of government that of this colony. In declaring my belief in the while I admit that our heads of departments -and, in fact, all the competent officers of the State - are not too well paid, it may seem paradoxical, but I claim that it is the army of loafers, the army of cats that catch no mice, that is sapping our finances and rendering it impossible to properly reward merit. But if this colony should ever get a sufficiently inde- pendent and competent Royal Commission or thrown away. Such a policy would enable us to pay our competent officers such salaries as £ Permanent appropriations 49,906 Annual appropriations .. 289,670 .. Total 339,576 .

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the Premier's salary-all these are going up, and the only thing that is going down is the population of the colony. Well, after the rise, the fall ; after the boom, the slump ; after the " fizz " and big cigar, Worcester sauce-which is, I understand, a famous pick-me-up in certain parts of the colony-and the hump. Mr. SEDDON .- Elliman's embrocation ! Mr. HUTCHESON .- I am informed that on the West Coast, after a prolonged spree, a bottle of Worcester sauce or Painkiller, neat, is con- sidered a good pick-me-up. Now, I have just a few words of criticism with reference to the management of the railways. I believe the management of our railways is in competent hands. Whilst we have had an increase in re- venue from the railways, I may point out that I do not think sufficient prominence has been given to the fact that there has also been in- creased expenditure as well as an increase in the revenue ; but, as my time is very limited, I will not open that question just at present. There is one small question of detail I would like to submit for the consideration of the Minister for Railways. He is now building a suite of hand- some offices adjacent to Cable's foundry, in Wellington. The train emerges from the rear of those buildings, and the corner of the build- ings immediately contiguous to the railway will be an acute angle, so that the train will emerge from behind the corner of the buildings without the slightest warning to passers-by. That will be a very dangerous place. When the new building is completed it will completely hide the train while it is behind it, and render that crossing exceedingly dangerous. I suggest to the Minister for Railways that, in order to prevent the loss of human life, or, at least, some ghastly accident, he will, without undue delay, place a crossing- keeper there. One of the objections of the Premier to the recently much-talked-of shelter- sheds was that there was a danger of accident at the railway-crossing at that place; but the danger will be much greater at the place I have just referred to when the new buildings are erected, for they will even deaden the noise of the approaching train, as well as hide it from view. I do not want to make any capital out of this, nor to reflect on any Minister or head of department, but I simply wish to point out the danger that it means to the public. Now let us have a look at the Savings-bank. There has been so many barometers and ther- mometers and anemometers brought forward in this debate that I am almost afraid to refer to this institution-the Savings-bank-as another alleged barometer of the prosperity of the public. The member for Napier, Mr. Fraser, in " slang-whanging " some of the recalcitrant members of the Government party in his speech the other evening, was very emphatic about the thermometer indications of the Budget ; every- thing was a thermometer with him. The member for Dunedin City (Mr. Millar), when speaking about the condition of some of the mines of the colony, said the expert was unable to discover any indication on his anemometer- that is, I suppose, as regards the ventilation of Mr. Hutcheson as another barometer - a barometer of the pro- sperity of the people. Indeed, it is one of the finest institutions that there could possibly be. It is of great advantage to the people, and a wonderful assistance to the Government. It is the finest little nest-egg the Government could possibly have. But the question occurs to my mind, Suppose there should occur any little panic? Let us suppose some stupid, groundless alarm impelled the people to lift their money out of the Bank. Have the Go- vernment got the money to give them ? How much ? I will tell the House what I think the Savings-bank really is, and what



inference I draw from the Postmaster - General's statement. The Budget tells us the deposits of sums up to £100 have increased since 1890 by 97.97 per cent.; deposits between \$100 and \$200 by 135.22 per cent.; between \$200 and \$300 by 242.94 per cent.; and above \$300 by 218.54 per cent. Well, it is the easiest matter possible for people of wealth, after placing most of it on permanent investment, to keep a current account of \$500 at the Post-Office Savings-Bank. They have the advantage of being able to work on it as a current account, while at the same time they get interest on it as a deposit. There is nothing wrong about that. I do not say for a moment that it is not commendable, and that it is not good both for the depositor and the Government; but I would like to locate things. I want to know whether the Savings-bank is a barometer of the prosperity of the great mass of the people, or whether it is a prosaic, unsentimental business institution like any other bank in the colony, that indicates nothing more than that people have invested their money in it for the purpose of getting interest on it from the Government. At any rate, I venture to say that not 1 per cent. of the more highly skilled artisans is able during the whole course of his working life to save more than £100 solely from his wage-earnings. By the time he comes to have a deposit of nearly \$100 he has fixed on a piece of suburban land on which to build a home for himself and his family, and the money is then withdrawn. I would like to know how many small trust accounts have been placed in the Savings-bank, and how many emergency accounts of friendly societies there are? All these sums go to swell the total amount of the deposits. This table, therefore, is unsatisfactory, inasmuch as it does not give the essential facts to enable us to tell the real value of the institution as a barometer of public prosperity. It does not tell the number of depositors of from \$1 to \$5, of from \$5 to £10, of from £10 to \$15, and so on. It classifies them all under the general term of "Depositors under \$100," and there it leaves them. But I have analysed it for myself. What do I find? I find that in New Zealand, with a population of 772,719, there was, according to the Statement, deposited on the 31st December last the sum of \$5,809,552, which amounts to \$7 10s. 4d. per head of the population. That is wondrous prosperity; that is a clear indication

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with a population of 34,000,000, and you will find that at the same time they had actually £8 per head, or nearly 10s. per head of the population better than New Zealand; while in the case of Saxony, with a population of four millions, which is generally credited by the British-speaking people with being very close to our way of thinking, and is going to do far behind in material prosperity, and where the working-classes are supposed to be particularly poor, we find that they have the astounding sum of £12 10s. per head of the population in the savings-bank. Therefore spirit of the age in land legislation, which was I maintain that the fact of our having £7 10s. one that I foresaw could not be permanent, and, 4d. per head in the Savings-bank proves nothing at all, when it is compared with returns from other countries. Let us now see how they have placed these deposits. Assuming the bulk of the class called "Up to \$100" to be the savings of the wage-earners-which it is not- and taking the averages of the various classes given in the table, I find that in 1890 there were 7,093 depositors of sums over £100 holding 58 per cent. of the total amount, while in 1900 there were 19,003 depositors holding 70 per cent. of the total amount, that is to say that off. Supposing that land in the course of time the large depositors had increased between 1890 and 1900 from 58 per cent. to 70 per cent. of to be worth \$25 per acre-and I believe that the whole of the depositors. In 1890 the deposits under £100 averaged £11 5s. per depositor, and in 1900 they only averaged £10 per depositor, so that the average amount of the small deposits was decreasing. Put in be only equal to 17s. 6d. per cent., instead another way, we find that in 1890 the large depositors represented less than 8 per cent. of the whole, and owned 58 per cent of the value of the total deposits; while in 1900 the large depositors had increased to 10 per cent., and owned about 70 per cent. of the value of the total deposits; so that during the ten years the small depositors have decreased 2 per cent.,

and the amount per head held by them has also decreased by 12 per cent. I regret I have not time to deal with several other matters that I would like to refer to. Before I conclude, however, I would like to touch upon the question of land-settlement. In his Budget the Premier says : - " Last session the Rebate of Crown Tenants Act was passed. Its working has not been satisfactory, or equitable in its incidence. An amendment of the Act is necessary, and at this juncture it is well to speak plainly, for from facts which have come within my own knowledge it is quite clear that a person taking up bush land, and having little or no capital, cannot pay rent until the land yields a return." . That, Sir, is particularly gratifying to me. I have had the same gratification several times. Those with whom I agreed last year pointed out to the Premier that it was opposed to Liberalism, and that it was only paltering with the matter, and we pleaded with him to bring in a Bill such as he now declares his intention of bringing in -a Bill that will be a scientific settlement of the difficulty, and will enable these bush settlers to live practically rent-free till they have subdued the wilderness and brought it to such a state of advancement that it would give them VOL. CXVIII .- 12. then said, was the kindest way to settle them, and urged that the clumsy expedient of granting relief by his famous 10-per-cent. rebate on half- yearly rents should be dropped. And the experience of time and the logic of facts have proved too much for the Premier, and he has what we want. I, for one, will support him in this, and in doing away with the unscientific and crude step he took in making rebates in that blind way, so opposed to the if maintained on the statute-book must lead to confusion and injustice. Now, last year there was acquired under the Land for Settlements Act 388,493 acres, at a cost of £1,866,971. To that must be added the cost of roading, £30,000, giving a total cost of \$1,896,971, costing the Government in all about £4 17s. 8d. per acre. Allowing that to be first-class land, and giving the maximum amount to the lessee of 640 acres, at 4 per cent. on the capital value it would come to #125 0s. 3d., or a net annual rental of £112 10s. 3d. when the 10 per cent. was taken money has actually been paid for land in \- the Taranaki District-if this land was so enhanced in value by land-settlement, the rental that the lessees would then be paying would of 4 per cent. on the capital value. Now, I have conclusively proved by the return laid on the table of the House by my request a few days ago that land held under lease in perpetuity contributes nothing in the way of land- tax to the revenue of the country, and probably never will. Yet this land is held for all time- for that is what the 999-years lease virtually is -without any increment in the rent and without any contributions to the revenue of the colony in the shape of land-tax. This 10-per- cent. rebate was unscientific, and could no more stand than can the present tenure without re- valuation stand. Now, I would like before I finish to say a word about "the Empire." I remember an occasion last session when the Premier waxed exceeding wroth, and stigmatized myself and one or two others as " Little- Englishers," "pro-Boers," and other terms- "socialists," and worse; he even hinted at anarchism, and all for what reason ? Because, forsooth, we hesitated to agree to his mopping up all the spare islands of the South Pacific. I remember well the figure he cut in his jingoistic fury when he roared, "Do not those honourable gentlemen know there is a British cruiser in our harbour tugging at her 'awsers" - or her leg-rope, or something of that kind- " wanting to get away on her mission of peace and expansion." Well, I suppose she must have broken her hawsers or leg-ropes, or whatever held her, and got away in spite of the few objectors ; and what has New Zealand got as a consequence ? A heavy leaded headline in the Budget, " Greater New Zealand," and a heap of trouble. Greater New Zealand ! Greater

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Barnum ! Also, Greater ' buncombe' ! Why, I have got the balance-sheet here of this new colony of ours. What is its total annual revenue ? #3,165 7s. 10}d. - mind, do not lose the halfpenny. Yes, Sir, our new dependency raised all that in one year; but it has recently been published that some scallywag has embezzled the half of it, and we may have to make good the defalcations out of our next year's surplus- if

we have one. They appear to have three sources of revenue in our new dependency- namely, Customs duties levied on goods, principally from New Zealand-which is rather an anomaly-trade and liquor licenses, and Court fines. Of course, the Premier takes care to explain in the Budget that the Customs anomaly is soon to be removed, and that the loss of revenue will be made up by "collateral advantages." Delightfully euphemistic and vague. Well, like the boy in the Pears' soap advertisement, "We wouldn't be happy till we got it," and now it is interesting to learn that with it we have got, as a going concern, a leper settlement, a penal settlement, and various other sundries. But shall we ever forget the historic occasion when the edict went forth-I believe that is the correct phrase-that we must outvie Australia as the great Federation of the South. Never ! And when, despite the pro-Boers and Little-Englanders, we did the "Deed that saved the Empire," and sang "God save the Queen" and "Rule Britannia," led by the patriotic member for the Suburbs, we felt that truly we were the representatives of a great people. Great is Jingo, and Seddon is his prophet ! One word more on the Budget before my time is up. The second last paragraph in the Budget says, - "I advise, and that in good faith, that at the present time the good steamer 'Finance' should be steadied, and that 'Slow,' and not 'Full speed ahead,' should be the order on the dial. Reasonable care will insure the good ship riding buoyantly and safely in calm and placid waters." When the Premier says the good ship "Finance" has to be steadied one wonders what he means-whether we ought to go down below and trim the ballast, or sit on the gunwale to keep her from rolling, or send a fresh hand to the wheel to steer her properly. He had better take my advice and stay ashore, and leave the steadying of good steamers alone to those who understand the business. Under what circumstances should the finger on the dial point to "glow"? When approaching a stopping-place, or when in a fog or other danger. Are we getting into port at our final destination, or are we among the rocks or in a fog? Only for one of these causes can there be any reason for the finger on the dial pointing to "Slow." I leave this to the Premier to answer. My concluding word : I am no pessimist. I have great hopes in the future of New Zealand. I do not believe New Zealand can be destroyed by self-seeking, time-serving politicians, or it would have been dead by now. But I do believe it can be reduced to such a condition - and we are fast approaching it-as would impose a serious task Mr. Hutcheson indeed upon those who may be charged with the heroic task of putting the affairs of State once more on straight lines. Mr. SEDDON (Premier) .- I wish to make a personal explanation. The honourable gentleman quoted a passage from Hansard. I asked him to do me justice and not to misrepresent me, and I am sure he would not do so wilfully, but by not quoting what preceded what he did quote he placed me in a false position. You will find on page 538 of Volume 103 that I spoke as follows :- - "I therefore take the number of those who could successfully claim as being one-fourth of those in the colony over sixty-five years of age -namely, five thousand ; and the payment of five thousand at £18 a year would amount to £90,000. Then, I ask, what would be a reasonable increase each year? The number of persons in 1891 was 14,842, and in 1896, 20,756, an increase of over six thousand. That is equal to one thousand a year. I am taking for the basis of my calculation that there would be an increase in the total number of persons who would be over sixty-five years of age of one thousand a year, and I am pretty well borne out in that by the other returns which have been compiled." Then Mr. Herries said, "Do you include Maoris ?" and to that I replied, --- "The Maoris are conditionally included. Then I put it, if there was a total increase of one thousand persons attaining to the age of sixty-five yearly, certainly not more than one-half would be able to claim a pension, owing to the restrictions in the Bill. I therefore make the annual increase of pensioners five hundred - that is, there would be five hundred additional claims that would be admitted in every year ; and, working that out, it means that in the second year the amount to be paid would be £99,000 ; the third year, £108,000; the fourth year, £117,000; and the following year, £126,000." Therefore, when I was making my 5.0. calculations, as was stated by my colleague, and as I myself state now, it was entirely exclusive of Maoris, because Maoris were not in the census return, and it is im-

possible also to tell the aged Maori from the census return. I was quoting from the census return. Hon. MEMBERS .- NO. Captain RUSSELL (Hawke's Bay) .- I must rise to a point of order. I maintain all this discussion is irregular. Standing Order No. 136 is perfectly clear on the point. It says, " A member who has spoken to a question "the Right Hon. the Premier has not spoken to this question" may again be heard to explain himself in regard to some material part of his speech, but is not to introduce any new matter." Sir, I maintain that this explanation of the Premier's is a speech in itself. It is no explanation at all of any speech he has made. The other Standing Order dealing with the question says, " By the indulgence of the House a member may explain matters of a personal nature " -this question is not of a personal nature-

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"although there is no question before the House: but either at the time, if the member who is speaking such matters may not be debated." Now, Sir, not only is there a debate, but we have four members speaking at the same time. I maintain that the practice we are getting into now of having two, three, and four speeches by one member, more particularly by the Right Hon. the Premier, called personal explanations, is a violation of the Standing Orders. There is nothing I can see in the Standing Orders, and there is nothing in parliamentary practice, which goes to show that it is justifiable to make speeches not à propos of some personal explanation, but to elucidate & speech made at a remote date. I wish you to rule, Sir, upon the point as to whether these constant interruptions are in the nature of the remarks allowed by Standing Orders Nos. 134 and 136. Mr. SEDDON (Premier) .- Speaking to the point of order, I may say at once the honourable gentleman is not going to place a gag on me, and allow me to be misrepresented, and deny to me the same privilege that is given to every other member of the House. I feel sure the Chair will give me that protection that it affords to other members. I say that, when a misrepresentation has been made, the only time to correct it is immediately at the conclusion of that speech ; and that ruling has been laid down by authority after authority. When a speaker, either unwittingly or otherwise, has made a misrepresentation, the member so misrepresented has always been given an opportunity to set himself right, and I claim that privilege. This is about the third or fourth time the honourable member for Hawke's Bay has raised this question, and only as regards myself. Captain RUSSELL .- You are the sinner. Mr. SEDDON .- The honourable member does not raise this point in regard to members on his own side of the House. If the honourable member would stop the misrepresentations of members of his own party he would stop the necessity for the explanations. However, Sir, I can only say that the very Standing Order the honourable member has quoted refers to this case, because I have not only been misrepresented as regards what I said in Hansard, but I have been misrepresented also as regards the Bills introduced in 1897 and 1898, and the Bill introduced at the time I was speaking of ; and I claim the privilege of putting myself right. Mr. PIRANI .- No reference was made to 1898 at all. Mr. SEDDON .- The answer to that is in Hansard. Mr. DEPUTY-SPEAKER .- A point of order has been raised. Mr. SEDDON .- In regard to the point of order, I say that the Standing Orders clearly allow this to be done, and it has been done previously ; and I see no reason why there should be a departure from former rulings. If that is not to be the rule, I say let us alter our Standing Orders. Mr. DEPUTY-SPEAKER .- The rule is to allow members who have been misrepresented in the debate to correct the misrepresentation, giving way, or to do so immediately he has ceased speaking. But I think this privilege of personal explanation with regard to misrepresentations is being abused, and I shall endeavour to check it from going to too great length. Mr. SEDDON .- Then, Sir, to cut the matter short, the honourable member for Hawke's Bay, in this as in every other case, fails-he is an absolute failure. Section 64 of the Act of 1898, which was quoted, was as follows :- "This Act, in so far as it provides for the grant of pensions, shall not apply to- "(1.) Aboriginal natives of New Zealand to whom moneys other than

pensions are paid out of the revenues appropriated for Native purposes by ' The Civil List Act. 1863."

Captain RUSSELL .- That does not Mr. SEDDON .- Now, why do you interrupt ? It is rude to interrupt. Mr.

ATKINSON .- Sir, I rise to a point of order. I wish to ask whether the Premier is in order in characterizing any member of this House as rude. Mr. DEPUTY-SPEAKER .- The Premier did not say that any person

was rude ; he said that to interrupt was rude. Mr. SEDDON .- I am afraid the honourable member for

Bruce has been outside the House somewhere. This, as I said in the speech, was conditional. Then I

come to the Bill that was introduced in 1898, and what do we find to show that in the Act as originally

introduced it did not apply to the Maoris? Section 65 provides as follows : - "Subject to the provisions of subsection one of the last preceding section hereof, this Act shall apply to aboriginal natives of New Zea-

land." An Hon. MEMBER .- What is the difference ? Mr. SEDDON .- The difference is that in the original

Bill it did not apply to the Natives, and that we had to put that clause in to make it apply. Mr.

HUTCHESON .- I did not wish to make a point unfairly, but I still do not see the point of the explanation.

The original Bill says it was not to apply to members of the Native race who are receiving pensions from

money appropriated for that purpose under Act, and inferentially it did apply to all the others against

whom it did not discriminate. I pressed the remark on the Premier just now because I was extremely

closely identified with the Bill in all its stages, and I recollect that there was a difference of opinion whether

it would not be humiliating and derogatory to the Natives to accept the pension. One Native member

thought it would, another thought it would not. I refer to this because it seems to me to indicate that the

Premier must necessarily have anticipated having to provide pensions for the Natives. So far as the state-

ment I made is concerned, I merely read from the Bill and from Hansard, and I have said nothing that the

Premier's own statement and the Bill does not seem to me to support.

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the honourable member draws, but I tell him that as the Bill was brought down the in- ference which he

says ought to have been logi- cally drawn could not be drawn-that it said it shall not apply to Natives who

are receiving a pension from the Civil List Act ; it will natu- rally follow inferentially-at least, I thought so

-that it would apply to the others. But the fact is that it did not. At all events, as far as I am concerned, I

called it conditional, and I said so; and all I want to put myself right with the House and the country is to

say this: that in making my calculations I did not in these calculations include the Maoris. Mr.

HUTCHESON .- The Premier told Mr. Heke he knew nothing when the Maoris were introduced. Mr.

SEDDON .- You quoted Mr. Herries. Mr. MCLACHLAN (Ashburton) .- I intend to make a few remarks on

the Budget, and I hope honourable members will bear with me, because I am suffering from a cold. Still, I

could not allow this occasion to . pass without offering some comment on the Statement. In the first place,

I sincerely congratulate the Premier on his Financial Statement. I admit that at the time it was delivered in

this House I was lying on the broad of my back, and I can assure the Premier that probably but for the

discussion that followed I might not have read it. But I was so impressed with it that none of the speeches

made in the subsequent discussion, either on this side of the House or on the other, suc- ceeded in

shaking my confidence in the Go- vernment's statement of our financial position, not even when I read the

criticism of the honourable member for Nelson City, than whom there is no greater authority on finance in

this country-at least, it would seem that he thinks so. I am quite satisfied that in the judgment of the

honourable member for Ashley, Mr. Meredith, there is no need for being very troubled about the financial

position of the colony, and I believe he sincerely wanted to come to the rescue of the Premier by giving

him timely warning of the dangerous condition in which the country was placed by his extravagant

expenditure. Subsequently I heard the honour- able member for Riccarton, Mr. G. W. Russell, who in no

sense is a less worthy exponent than that honourable gentleman. Then, we had one other exponent in

Mr. Millar, the honourable member for Dunedin City, and his criticism was terse and severe; but it was

evident from the way in which he was handled by one of the Ministers that he had not a foot to stand on. In fact, I think, with the exception of my honourable friend the member for Auckland City (Mr. Witheford), who is also a great authority on finance, there was no other member of the House who tackled the financial position with any effect at all. I heard this afternoon the member for Wellington City (Mr. Hutcheson), who I may be allowed to say is a personal friend, go vigorously over the whole financial position, and I do not think he approached by one iota the real position until he came down to the Premier's insane proposal-I do not say it of 10 per cent. to tenants last year. Under the heading "Crown Tenants' Rebate of Rents " the Budget says, - "An amendment of the Act is necessary, and at this juncture it is well to speak plainly, for from facts which have come within my own knowledge it is quite clear that a person taking up bush land, and having little or no capital, cannot pay rent until the land yields a return." What has this got to do with a rebate to Crown tenants? It has no connection what- ever. It begins by speaking of a rebate of rents to Crown tenants under the Land for Settle- ments Act. Mr. PIRANI .- Do not criticize the Budget too severely. Mr. McLACHLAN. - No ; I am doing it as a friend. But I say there is no connection between the two subjects at all. The honour- able gentleman is going to give the Crown tenants a rebate of from four to five years' rent in order to please the honourable member for Masterton, the honourable member for Pahiatua, and some other honourable members. He is going to give their constituents four or five years' rent. Could there be any safer way of securing the return of those honourable gentlemen to this House for the next four or five years? But at the end of that time what will be the result ? Speaking from some little knowledge of land-settlement, I say that the tenant who has been successful in obtaining a block of bush land at a merely nominal rental will have that country roaded for him by the Crown, and he will clear and fell the bush and erect his fences, but unless there is some limita- tion provided in the Act which would prevent that settler from selling out within a certain time-that is, transferring his section-he will transfer to some other settler, and will possibly leave him in the position of having to pay a rack rent. The first settler then may go and take up another block of land, and I get it with four or five years' rent free. feel quite satisfied that when the Premier comes to consider the question fully he will make pro- vision for some such restriction in the Act, so that, unless it may be owing to ill health, or some other good reason, a settler may not be allowed to transfer his section to some other person. Now, Sir, I cannot attempt to discuss the Financial Statement. I have already heard it discussed from every possible point of view, and I could not say a single word or make a single statement that has not been made by some other member. And what has been said in the House makes no impression upon me, and I am a pretty fair index of the general opinion of the country. I may say that I read with much regret, when I was at home ill lately, that the honourable member for Hawke's Bay made a most extraordinary statement as a farmer. He spoke in a truly pessimistic vein of what the poor farmers were suffering and enduring under the taxation imposed by the Government. In fact, he says it is reported in the Lyttelton Times that farmers' produce was low in prices. Well, I have perhaps not been

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as big a farmer as the honourable gentleman, but I have got my living off the land for the last thirty-five years, and I have sold a little grain and produce of all descriptions, and I may say that I have known farm produce of all sorts much lower than it is now. For instance, I never knew in the last few years cows to be so dear-and I cull a cow farm produce - nor have I ever known ewes and lambs so dear at any time except in the very early days. An Hon. MEMBER .- Not a bit of it. Mr. MCLACHLAN. - You come down to Ad- dington and hear the quotations there, or take them from the Christchurch Press, an authority which I do not think the honourable member for Hawke's Bay will dispute. What does its report of the Addington sheep-market show ? All I can say is that if it is true that the price of wool is at its lowest, then the colony must have enormous vitality, and that shows that there are other sources upon which the country can

depend to retain its equilibrium of finance, even if wool falls further in price, which, of course, everybody hopes it will not. Why, for ewes in lamb in the middle of August the price was so high that it was not quotable. The following are the prices at the Addington sale-yards for the years given : 1894, ewes in lamb, from 7s. to 8s. ; 1895, not quoted, dull sale ; 1896, lambs, 12s. to 14s. ; 1897, cross-breds, 10s. to 11s. ; 1898, crossbreds, 5s. to 11s. ; 1899, crossbreds, 15s. to 16s. ; 1900, market unchanged; 1901, crossbreds nearly all passed, owners' values too high. Prices for general farm produce are not so low as I have known them. I know a farmer who has been receiving the following prices : 33d. for his pork ; 84d. and 9d. for his butter-and these prices were cash ; and if he had young cows to sell he got from £8 to #10 for them. Then, let us take the case of farmers like the honourable member for Hawke's Bay, who send thousands of fat sheep to the works to be converted into frozen mutton. What have they got during the last few years ? They have had many benefits, including the increased returns produced by labour-saving machinery ; they have had reduced railway freights, reduced freights on the ocean-going steamers, and they have got the returns from the by-products of the car- The honourable gentleman knows that cases. the sheep-farmer is not any worse off at present than he has been for many years past. I admit that in some classes wool is as low now as it has been for many years; but in the case of fat sheep, taking wool and taking the carcass as a whole, the sheep is worth as much money as ever it was. If there is a loss of 3s. on the clip of wool, there is a gain of 3s. on the carcass. What about three years ago? The farmers then got from a million and a half to two millions more than they expected for their clips. If they were prudent men they then, no doubt, paid off their overdraft, if they had any, or paid off the money on their premises, or built themselves better houses, or improved their flocks. It is very likely they did one of those things ; and, if they did so, the profits they made then will go far to meet the low price they are receiving now. I know one farmer in Canterbury who exports a large quantity of wool. I asked him two years ago, " What are you going to do with the money from your wool this year ?" and he replied, " I sent wool Home which has realised #10,000 more than I expected." I said, " What will you do with the money ?" And he said, "I have given authority to an architect to prepare plans for a new house for me. I have never had a decent place in my life before, and I want one now that I can live in comfortably." That shows, then, the stimulus that was given to trade as a result of that man's profitable returns. Carpenters, bricklayers, and others were employed on the house for some time, and naturally there was an inflation of the building trade in that locality. Therefore I say that these wool- kings have not reached bed-rock ; indeed, they are far from it. I also wish to say that the quotations I have given of the Addington market have been taken from the Christchurch Press. Now, I wish to compliment the Hon. Sir J. G. Ward on his railway management. It is said no concession has been given to the farmers. Well, the honourable gentleman read out a list of items that did not appear in the Premier's list-I have no doubt they are all correct-and, when we perceive the nature of the reductions that have been so far given to farmers, I do not understand how any one can say the farmers have not received consideration. In the Financial Statement the Premier says this with regard to the railway concessions :- " In connection with results of working the railways for last financial year the large concessions in rates granted by the Government since resuming control of the lines should not be lost sight of, as they have a very material effect on the results for the year. The total reductions made since the Government took over the railways amounted, up to last year, to no less than £369,439, and to 31st March, 1901, to £420,239." The list of the principal concessions granted shows that the farmers have received the benefit of all the concessions. There is a reduction of live-stock rates to the extent of \$25,000. Who gets the benefit of that sum except the farmers ? Firewood, chaff, and lime are also carried at a cheaper rate, the reduction being \$8,000. Then, we have " Free carriage of lime, butter, eggs, and fish empties, £1,500 "; and the abolition of the extra charge of 1d. per ton on branch lines amounted to \$3,000. Then, we have " Agricultural produce, \$45,000," and " Butter and cheese, \$5,000." Was that reduction made because the butter and cheese industries were

languishing? No; the industries never had palmier days than when these reductions were given to them-in fact, they were given as gifts. In the way of concessions we also have "Artificial manures, \$1,000 ; bricks, clay, coal, &c., \$3,000 ; general reduction of ordinary passenger and season rates, \$68,000; cheap tickets for workers on Auckland, Wellington, Christchurch, and Dunedin suburban lines, \$1,600." Next we have an item that the member for Hawke's Bay,

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Captain Russell, and other honourable members who have a fancy to see the good old sport of horse-racing, will appreciate : "Concessions to racehorses, polo ponies, hunters, and hounds returning from races, polo meetings, and hunts, #2,800." Where does the working-man get any benefit there? Are the Government pandering to the working-men, who have put them on the benches, and who are keeping them there? No; they are pandering to the people who wish to turn them off the Treasury benches. Then, we have "Carriage of goods from centres to ports for shipment, dead-weight instead of measurement, £11,000." Who sends goods to the ports but the farmers? All the concessions, it seems to me, are given to the farmers. This part of the Financial Statement also shows that reductions have from time to time been made on a very large number of articles of every-day use carried over the railways, and further states, - "The regulations have been made of a more liberal character than heretofore " -- [the member for Franklin said that all the real Liberals were on the Opposition side of the House ; but I contend that they must be on the Government side, because it is by the Government the reductions have been made]- train service is improved, speeds increased, and additional trains, involving an expenditure of many tens of thousands per annum, have been provided ; and, to further meet the convenience of the public, goods and passenger traffic have been separated wherever the volume of business has warranted such a step." When I was interrupted by the half- 7.30. past five adjournment I was dealing with the criticisms of those honourable members who had spoken during the debate, and I believe I succeeded in convincing honourable members so far as I went, and I think it unnecessary to proceed any further on my former lines. I will therefore now take a new departure by referring to a matter that has not already been touched upon - namely, the reason for the discontent amongst the farmers of the colony, and for the origin of this new Auckland bantling, the Farmers' Union. Auckland is a place famous for producing political organizations of this kind. An Hon. MEMBER .- It is not political. Mr. McLACHLAN .- I will show you whether it is or not by-and-by, for I intend to put some extracts into Hansard with reference to it. Before I proceed further I may tell honourable members that the union has even taken root in the great district of Ashburton. A report recently appeared in the newspapers of an extraordinary meeting held at midday on Saturday, which is market day at Ashburton. The meeting was reported to have been attended by two hundred farmers, representing the whole of the Selwyn electorate. Of these I suppose that 120 belonged to Ashburton, and the rest of them to other parts of the district, and very many of the names given were those of persons who supported my opponent, Mr. Harper, at the last general election, so that it does not strike terror into me. Mr. McLachlan Mr. SEDDON .- Who is Mr. Harper ? Mr. MCLACHLAN .- He was the unsuccessful opponent of the member for Ashburton at the last election. The honourable member for Riccarton, with the view of advancing the interests of the working-men, gave notice of an Eight Hours Bill. I do not know who drafted that Bill-probably he did so himself-but it bore the construction that it was applicable to farm servants of almost every class but dairy-maids. As I have already said, this so-called Farmers' Union caused the meeting to be called at Ashburton, which was addressed by a man called Glass. I do not know Mr. Glass, so I am not going to speak disrespectfully of him ; but he addressed the Farmers' Union. and said he considered it the most successful meeting he had ever met, and it was resolved to establish a Farmers' Union there. Now, I heard the member for Franklin ask the honourable member for Ashley what the tenets of the Farmers' Union were. I am going to



give you the platform on no less an authority than the Otago Daily Times, as reprinted in the Lyttelton Times. It is this-it is a recent article, and it says this :- "The executive of the Trades and Labour Council has evidently not yet made up its mind concerning the farmers' unions now being formed in various parts of New Zealand. There is an undercurrent of sarcasm, not very obvious, in the references to Mr. Glass's organizations contained in the report adopted by the Council on Saturday, and we expect that the interest of the workers in the progress of the new body will be mixed with a little alarm. If we had any doubt in our own mind as to the objects for which the farmers are being organized, it would be dispelled by the outspoken comments of that reliable and confirmed Conservative organ the Otago Daily Times. 'Duly recognising that the interests of the farmers were suffering at the hands of the labour unions,' says the Dunedin journal, 'Mr. A. G. C. Glass, of Kaitia, Auckland Peninsula, conceived the project, some couple of years ago, of a farmers' union.' The spread of the movement, we learn, is due to a 'growing alarm at the aggressive character of the labour unions,' and when once the union is thoroughly organized a working political platform will be agreed upon. Then, triumphantly declares the Otago Daily Times, 'for the first time in our political history, the labour unions will have opposed to them a powerful organization.' There is nothing of all this in the printed objects of the union, but the Times, which evidently has its information at first hand, devotes less than a dozen lines to the printed objects, and a full column to the real intentions of the organization. We gather from this that the union is formed for the following purposes : (1) To resist the political power of the labour unions ; (2) to oppose labour legislation ; (3) to encourage settlement of the land, with a ' freehold' clause ; (4) to reduce freights on produce ; (5) to advocate taxation for revenue purposes. and to resist the protection of industries; (6) to educate ' the farming community."

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for some of them want educating, I know, on political matters. Now, this shows that this union was originated in Auckland, at Kaitia, by Mr. Glass, and that it has for its object the destruction or opposition of the labour legislation passed by this Government. Now, I contend that the condition of the worker has improved since the first labour laws were passed in this House in 1894. They have gone on steadily improving, and their influence has been in an upward direction ; and capitalists, having greater confidence in the present state of things, have spent more money in bricks and timber and iron than ever they did before. Yet these farmers are opposed to them. I will now read another extract from the Lyttelton Times : - "Mr. J. Studholme, junior, seconded the motion [to form the union]. He said, if they were to succeed they must start on right lines, and, therefore, it was necessary that there should be a conference at which all should be represented. They must have it thoroughly understood that they were not a farmers' union in opposition to the interests of farm labourers, or they would have papers like the Lyttelton Times taking advantage of any slip they might make. "The motion was carried." Mr. Studholme wants to get a certain number of working men, farmers' employés, shepherds, and ploughmen to subscribe to the objects of the union and pay in a yearly sum ; but they will not be able to attend the meetings, and consequently every motion brought forward in the interest of the employer will be carried. But, - " Mr. Glass explained that the Council would meet in each province, starting with Southland, in about two months, and directly all the provinces were organized and their Councils had met, there would be a conference of delegates in a main centre." That will probably be Ashburton. But the strangest part of the business is that one of our Ashburton business men, a member of a firm that lends more money than any other financial firm in Ashburton-I refer to Mr. Max Friedlander-in moving a vote of thanks to Mr. Glass for his able and clear address, took occasion to say that " the borrowing which had been going on lately by the colony was against the wish of every farmer." Could any reasonable man believe that ? Here is a money-lender, the representative of a large firm in Canterbury, who has enormous sums to lend- not at 5 per cent., but at 7

per cent., with 2} per cent. commission. He went on to say, "The increasing of the public debt by \$50,000,000 by the present Government was leaving a very unfair legacy to their children, who had no hand in contracting the debt." These farmers, who are to be educated by Mr. Glass and the union, were asked to believe that this Government has increased the public debt by £50,000,000! Could anything be more ridiculous or absurd? But it is the kind of thing we hear from the Opposition benches.

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

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ments in Canterbury, and show me that they have ever paid anything like 4 per cent. Many of these estates are bought by and sold to the Government, and then are roaded and cut up at a considerable cost ; and the local bodies in and around Christchurch are so particular that they will not even take over the roads until the Government shingle them and put channelling in them. Well, the result is that one-half of these sections are not taken up, and here is the Crown paying 4 per cent. on the whole cost of the estates, in addition to the cost of road- ing. While the Government are entitled to every credit for their efforts in connection with the land-for-settlements scheme, and also for the land-purchase scheme, I say that the advances- to-settlers scheme has proved the greatest success ever undertaken by any Government in any part of the world. I have not the returns at hand, and if I had, some members might

think I was not quoting them correctly, but I know it has been stated on what might be called reliable information, in this House, by people who are responsible-I have seen the returns myself, published under authority- that scarcely any money at all has been lost, and that of the whole of the branches of the public service that has practically come out best for the Government. Now, I am going to imitate that splendid example of my honour- able friend the member for Wanganui. If I recollect aright, every time that honourable gentleman speaks his peroration is, " Place a sum of money on the estimates to open up that great bush country at Wanganui" ; "Give subsidies to make a harbour at the mouth of the Wanganui River " ; give us everything we want, and then give peace in our time, O Lord! Now, there is in our district, which, as I have stated, is the most important agricultural district in New Zealand, great mineral wealth as well. There is now a dearth of coal in Canterbury, and the Minister for Public Works will acknowledge what I am saying when I say that we have in our district large measures of coal equal, if not superior, to the Kaitangata coal. During the last winter, owing to the visit of the Duke and Duchess of Cornwall, we poor farmers have not been able to get a single ounce of Westport coal-we have had to take Kaitangata coal; and, yet in the country I speak of there are coal-measures of equal value to those in Kaitangata. All that is required is a small line of railway, put not to one but to several pits, and then it would run down of its own motion, and from Ashburton it might distribute east and west and north and south. That is something which it is worth while for the Government to con- sider. There is another matter that concerns my constituents, and I hope the Government will not overlook it. I was looking at the returns, and I can see that last year the Ash- burton County Council is represented by a blank under " Advances to Local Bodies." do not know that I would ask the Government to give it an advance, but I would mention that the terraces of the district are very high. it is good sheep country -- in fact, there is no Mr. Me Lachlan better in New Zealand, according to stock- carrying capacity-but it cannot be occupied for want of water. The ratepayers there- and the Government owns land there too - had some scheme of water-supply. The people borrowed £5,000 or £6,000 and spent the money under the best engineering advice they could obtain ; but a very heavy flood came on and washed away what might be called the lip of the water-race, and all this money is absolutely lost to the ratepayers, who have taxed themselves to the highest rate allowed by law-or it will be lost to them un- less the Government comes to the rescue by granting a vote. Now, seeing that the Ashbur- ton County has never asked for a vote, surely we are entitled to expect the Government to come to the rescue of these people by granting a vote. The honourable member for Geraldine is a good deal interested in this, as well as myself, and I am sure the Government will give attention to it. It does not mean one vote, but two votes, in this House; and with parties pretty evenly divided that would mean a balance of power. I am sure the Premier will consider this. Then, there is a bridge called the Rangitata Bridge, which connects two important districts, and the river is seldom fordable for sheep. It is a dangerous river. The Government have put a railway-bridge there : and all we ask is that the Government will vote a few thousand pounds to widen the bridge and make it capable of carrying ordinary stock, so as to connect the two districts. Well, Sir, these are objects which I think I am justified in bringing before this House, because honourable mem- bers, when they look up the supplementary estimates by-and-by and see several thousand pounds applied to these purposes, will be apt to say, "Here is corruption and bribery " ; but when they remember that I, in open House, gave thoroughly good reasons for these things, they will vote for them to a man. Now, Sir, I could, if I were disposed, fill up my time very easily by reading a lot of printed matter ; but I am sure so much printed matter has been placed in Hansard by nearly every other member who has spoken that I should be inclined to strike it out of Hansard as perfectly unintelligible matter. On the whole, I con- gratulate the Government on the position of the country, as outlined in the Financial Statement, and upon the manner in which they have come through the ordeal of this debate. Mr. WILFORD (Wellington Suburbs) .- Mr. Deputy-Speaker, I propose to address myself to-night to answering some of the statements which have

been made by some of the members on this side of the House in criticizing the Budget and estimates. I propose to show to honourable members the absolute fallacy of the so-called arguments which have been introduced into this debate by the honourable member for Nelson City (Mr. Graham). And I think I shall be able to demonstrate before I have finished that, as far as the statements made by the honourable member for Nelson City against the finances of the Government are concerned, they are absolutely fallacious and incorrect. The

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first statement that I propose to criticize-and | grand total of increases of £56,069, you come in doing so I propose to criticize it in no personal spirit, but simply discussing the figures which have been produced by the honourable member in support of his allegations against the present Government-is this: He stated, on the discussion of the Financial Statement, that "in the present estimates there are increases in salaries to the amount of £45,000, outside the automatic increases that occur under the Classification Act." Now, I do not propose in any hostile way to suggest that the honourable member who made that statement desired or intended in any way to mislead the House ; but I feel certain of this: that had the honourable member paid any attention whatever to the increases in the estimates he would come to the conclusion and be satisfied in his own mind, if he is fair and impartial, that the statement made by him is absolutely incorrect. Now, I will show honourable members, and demonstrate to them in a few moments, how far the honourable member for Nelson City was wrong in his figures -and one has only to look at the Classification Act and at the estimates in order to discover by a mere simple sum in addition that the figures of the honourable member are, as I say, absolutely incorrect. He stated that the increases in salaries amounted to £45,000 outside of the automatic increases that occur under the Classification Act. Nothing of the kind. In the first place, the increases do not come to the figure he mentioned, £45,000. The actual amount of the increases-that is to say, the total amount of the increases as shown in the estimates-amounts to £56,069; and if the honourable member had looked at and dissected the table of increases, and had considered and added up the total, and checked it with the increases under classification, he would have found that, out of this total £56,069, no less a sum than £43,633 is made up of increases in the departments under the various classifications. Now, honourable members will understand this : If £43,633 are increases under classification, and you deduct from the sum total of £56,069 the sum of £43,633, you have the sum of £12,436, which I say is the sole increase in salaries beyond the classification. That is to say as follows : The honourable member stated that the amount of increases was £45,000 besides the automatic increases ; the automatic increases amount to £43,633, therefore the sole increases outside the classification is a sum of £12,436. Now, how is that sum of £12,436 made up? Quite easily. It simply requires a careful analysis of the figures, and a careful dissection of the sum total of those amounts which are to be expended in the way of advances outside the classification, and we will see that it works out in this way : (1) A sum of £1,464, which is to be paid by way of increases to cadets; (2) a sum of £1,120, which is to be paid under regulation and agreement to printing and gaols ; and (3) the ordinary increases made by Ministers of £9,852. These items make a total of £12,436. Now, if you deduct £12,436 from the back to the £43,633, which is the total amount of advances in salaries under the Classification Act. Do any honourable members venture to suggest in regard to the Classification Acts as passed that the automatic advances to use the words of the honourable member for Nelson City - which have taken place, and which this Parliament has sanctioned, and which honourable members have approved-does any one venture to suggest that there should be a block or a break-up of this way of carrying out the increases which are provided for by law. Honourable members will see that the statement made by the honourable member for Nelson City that £45,000 of increases have been provided outside the automatic increases under the Classification Act is

absolutely incorrect. Mr. SEDDON .- He is only £30,000 or so out. Mr. WILFORD. - The honourable member for Nelson is £32,562 out. It may not be much to him, but it is a good deal when the total amount of increases is £45,000 according to him. If an honourable member who quotes to the House figures which he sets forth to the country as the "state of the poll" - if an honourable member takes no care to insure their correctness, and is found to be wrong to the tune of ±32,562 in a matter of £45,000, what credence can be placed by the people of the country upon statements made in this House ! I think that answers absolutely the statement of the honourable member with regard to that amount. If I go a little further into detail as to how the £12,436 is made up, I get at it in this way : I divide the increases into three tables, A, B, and C. "A" includes all those in- creases in salaries of £300; "B" increases of salary between \$300 and £400; "C" increases in salary between \$400 and \$500. Then we have an extra table for those over \$500, and another table for heads of departments. What do we find? In "A" there are 802 increases, amounting to #1,021 ; in "B" there are forty-five increases, amounting to £1,000 ; in "C" thirty increases, amounting to £675; increase in salaries over \$500 six, amounting to \$175; under "heads of departments" there are seven increases, amounting to £250: making altogether 880 increases, amounting to £12,131. To that has to be added increases to the number of forty- four in the Printing Office, which makes a total of £315, and you come back to the total I quoted of \$12,436, and that, outside the Classifi- cation Act, is the sole amount of increase pro- posed to be made in the salaries of these departments. The next matter I wish to dis- cuss, as far as the member for Nelson City is concerned, is a remark he made in regard to the debts and liabilities of the colony. The fact does not seem to be appreciated by the mem- ber for Nelson City, and it does not seem to have been made plain to many members as to the real difference between "debt" and "lia- bility." From a remark which fell from the member for Nelson City, I cannot help feeling that he does not appreciate the difference between the word "debt" and the word "liability." There are amounts set out in the table of ex-

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gories, or either. There are amounts which cannot be included, and which cannot be con- sidered as debts because they are not liabilities. It is customary for the Cabinet to meet in October in each year ; they propose certain expenditure, and send it to the various depart- ments. The money may be voted for three different years before it is expended, and if it is voted for three different years before it is expended, is it going to be totalled as "debts" for the three years? What is the distinction between "debts" and "liabilities"? The words of the member for Nelson City in connection with this matter are as follows. He said, "The Treasurer shows a credit balance of £232,515, and he gives his esti- mate for the current year without any refer- ence to the debts owing." Then, in referring to the Minister for Public Works, he says, "He makes his ways and means to be £2,532,515, then estimates there will be an expenditure of £1,950,000, and a balance re- maining at the end of the year of £532,515." Does the honourable member know the dif- ference between "liability" and "debt"? If he does, he most skilfully conceals the fact, because nobody who reads the speech of the honourable member or who heard his speech could think for a moment that the honourable member understood the distinction. Now, let us look at a table of some of the outstanding liabilities of the colony-let us consider a table prepared from the estimates, and from the statements in the Budget, and what do we find? We find under ( lass I. an amount of £191,309 15s. 1d. which is debited-if I might use that word for the time being-to the Minis- ter for Public Works and the Minister for Rail- ways. We add to that " Railways, additions to open lines, £400,686 3s. 11d. " : total, £591,995 19s. That I will admit is debt. The next item we come to is under the head of " Minister of Lands," "Roads and bridges, proposed ex- penditure, £398,166 15s. 3d." ; under " Mines." "Roads on goldfields, £49,221 9s. 2d.": or a total of £447,388 4s. 5d. That is a liability. The next item is, " Commissioner of Electric Telegraphs, Instruments, &c., \$26,989." That is a debt. Then, "Minister for

Public Works," " Public buildings, £73,375." That is a liability. Then, " Minister for Public Works," " Lighthouses. £10,313 16s. 7d." That is a liability. Then, "Minister of Defence," " Contingent defence, £140,000." That is also a liability. Is there not a marked distinction, in the criticism of financial proposals, between the words "debt " and "liability "? And must not that distinction be always made by any one who honestly intends to criticize, without having any feeling hostile to the Administration ? I can well understand that, for the purpose of hostile criticism, with a desire of making the finance of the party in power appear blacker than it really is, for political purposes, the whole of those sums of money may be treated as debts, and not as liabilities, for the purpose of showing the state of the country. But I say it is Mr. Wilford that the whole of those sums are debts, as it was said by the honourable member for Nelson City they were. Sir, I extract from that table those amounts I put down as liabilities instead of debts, and what do I find ? Taking the totals-£447,388 4s. 5d., £73,375, £10,313 16s. 7d., and £140,000 - we find that £671,077 11s. is the sum that actually and honestly comes under the definition of " liability," and is not properly described as "debt." Take, for instance, our estimate in regard to co-operative labourers. If we have eight thousand labourers, and pay them \$3 a week, say, for the sake of argument, we have £24,000 per week to find. We multiply \$24,000 by four, taking it roughly that there are four weeks to the month, and we get \$96,000. Then we multiply £96,000 by 12 in order to estimate the proposed expenditure in the way of wages for the 8,000 for the year, and, multiplying £96,000 by 12, we get over £1,000,000 sterling, which is the estimated expenditure to the co-operative labourers. Would that be accounted a debt, as far as the finances of the colony are concerned ? Would it even be accounted a liability? It is only the proposed expenditure for the 8,000 men employed for the twelve months. Is it a debt or a liability? It may become either, but it is not necessarily one or the other. Therefore we find, if we criticize the matter, and if we come to the question of whether it is a debt or a liability, that no less than £671,077 11s. should be treated as a liability out of a total of £1,292,095 12s., and should be deducted therefrom. Mr. HALL-JONES .- It is more than that. Mr. WILFORD .- It may be more than that. The honourable member may be in possession of other items that may be treated as liabilities, and which the ordinary observer cannot understand ; but I am satisfied to point out that out of a total of £1,292,000, a sum of £671,000 can be treated as liability and not as debt. Take the item of £140,000 which is put down for contingent defence, under the head of " Minister of Defence." Is that a debt? The Government propose to expend £140,000. Is that a debt? Is the colony likely or in a position to be called on to pay, or is it probable the colony may have to repudiate ? Where is the debt ; where is the liability in regard to that £140,000? It is simply a proposed expenditure. If honourable members, in criticizing from their side of the House, twist facts and figures to show such results as I have pointed out, it is disingenuous on their part, to say the least of it. I do not consider it is necessary for me to say more in regard to those particular figures, but it is always necessary, when criticism of the Government party comes from a member of the Government party, that those figures should be fully sustained before they are put forth to the world. They should also be carefully criticized, because it naturally follows that when a member of the Government or a member of the Government party criticizes in a hostile manner the finances of the party he is supposed to belong to, the world outside considers there must be something

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Nelson Harbour Board Bill the honourable really tangible and strong in the suggestion of the honourable member, because he is cutting member said, - "It was hung up till late in the session, and the ground to some extent from the party he is he said the Premier had said he would have presumed to represent. As to the honourable opposed such a present had any one asked for member's attack on the Government, I understand the doctor's opinion is that, though pro- it but Mr. Graham." The fact that Mr. Graham asked for it was strate, the Government will probably recover sufficient to overcome all obstacles. And this from

the severe attack of blank cartridges, and I do not suppose that it will make much difference to the party or the Government of the day. is rotten, and at the same time he told his constituents that he was going to get a big share of the £100,000! The honourable gentleman wound up his speech by saying When I read the speech he made to his constituents between last session and this, I was mired (Mr. Seddon), the Minister for Railways, dumbfounded at his attitude. I will read and Mr. Hall-Jones; and the local paper it to honourable members, and they will then - which I am sure he had no influence in - be able to judge as to whether he has been put, in brackets, "Great applause." Need the consistent or not. When an honourable member makes a denunciatory speech against the Government fear that sort of criticism ? Need he makes a denunciatory speech against the Government they trouble their heads a snap of the finger finances of the party to which I claim to belong about it? Is it the kind of criticism Go- long, then I say-and I say it feeling a good government supporters need be afraid of refuting deal of responsibility-that it is time for that when they meet their constituents. I say, honourable member to declare his allegiance Sir, there is nothing to be afraid of in it. to some other party. The foundation of good I shall have the utmost confidence in standing government is its finance, and when members before my constituents and demonstrating from of a party find it necessary to declaim against the very figures the honourable gentleman used the finance of the party they belong to it is the that his statement was inaccuracy itself. duty of those honourable members to at once Now, I want, first of all, to ask, in regard change their side if they believe there is corruption to this debate, what has been the position of rupture. Now, sir, let me read to honourable the parties in this House on the Budget. We members the speech of the honourable member - have heard the criticisms in the early part of the session for Nelson City, who has raged against the the debate of the honourable member for Government in such unmeasured terms. The Hawke's Bay (Captain Russell) and of the honourable member is a political Vulcan, honourable member for Bruce (Mr. Allen). We raging, and fuming, and throwing his thunder. have heard the soft insinuations of the honourable bolts - harmless as in the days of old-right able member for Bruce to the honourable member - and left, with the view of disconcerting the member for Hawke's Bay ; and I cannot help thinking Government. Let us remember what he said of the old idea of history repeating itself, and from his place in the House a few days ago, that members on the Opposition benches furnish a very apt illustration of the condition of things between last session and this. He said, - things that existed, perhaps, in imagination, in " More had been done for Nelson than in any previous session he could remember. Provision had been made for continuing the line by way of the Tadmor, and for bridging the Motueka River. A vote of £100,000 has been passed for the various sections, and he hoped that they might get a considerable share. The next thing was to get authority for the money. He was about to visit Wellington, and one mission would be to get that line. Speaking of the Nelson Harbour Bill, he said it was hung up till late in the session. During the interval the Premier told him the Government could not give up the waste lands, and he was staggered for the time. Mr. Seddon suggested a rating - area. One member told him that the Act meant a present to Nelson of £45,000 in respect to cash endowments, and a total present of £87,000, and that he would have opposed such a present had any one else asked for it but Mr. Graham. He recognised the assistance of the Premier (Mr. Seddon), the Minister for Railways (Mr. Ward), and Mr. Hall-Jones." Just fancy the honourable member asking for that sum out of the £100,000, and at the same time telling us that the finances are rotten, that the Government had no right to be there, and "folk-lore," we may call it, in the early ages. We will imagine, for the purpose of illustration, that the honourable member for Hawke's Bay, Captain Russell, and the honourable member for Bruce, Mr. Allen, are desiring to hold the reins of government. They desire to turn from these benches the Premier and his colleagues ; and, with the exception of one member of the Opposition, the member for Waitemata, Mr.

Monk, they desire to see the Government out of office. The reason why I except the honourable member for Waitemata is because during one of his flowery orations, which took place some little time ago, he told the House and the country that he did not wish to see the present Government out of office. We all knew that that was the case, but we did not expect to hear any of them say so. We understand perfectly well that the honourable members do not want to see the Government out, because they will be like Othello—their occupation would be gone. Were a reconstruction to take place, were a new Ministry to sit upon these benches, the honourable members opposite could not expect to be included. If another party held the reins of

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Government it would be a progressive Liberal party, and the members that compose it would be from this side of the House. The personnel of the Ministry might be changed in one or two departments, but the policy now enunciated would be carried on. Should the member for Hawke's Bay and the member for Bruce obtain the reins of Government, where would the chariot of finance go with the honourable members in charge? I compare the honourable member for Hawke's Bay to Phæthon; I compare the Hon. the Premier to Helios, the Sun-god; I compare the honourable member for Bruce to the soft insinuating Epaphus, who suggested to Phæthon (the honourable member for Hawke's Bay) that he should ask his father — his father in progressive legislation — for leave to hold the reins of the fiery chariot, if only for one day. Helios was the Sun-god who drove the chariot of fire across the heavens, and Epaphus suggested to Phæthon that he, Phæthon, should ask from Helios the right to drive that car if only for one day. He persuaded Phæthon (the honourable member for Hawke's Bay for the time being) by his soft insinuations to pray to Helios, the Sun-god, to give him the reins of the chariot. Helios knew the trouble that would eventuate. He knew the political incapacity of the member to whom he was asked to hand the reins, and he hesitated, and dreaded the consequences, but finally, lending himself to the expostulations and entreaties of the member for Bruce (Epaphus), he allowed the member for Hawke's Bay (Phæthon) to hold the reins. What happened? The steeds became unmanageable; the chariot burned the heavens and the earth, and had not a thunderbolt been hurled for the purpose of stopping Phæthon in his headlong career to destruction, the whole earth would have suffered, and the sun would probably have stood still for ever. Shall Helios, the Sun-god, hand to Phæthon and Epaphus the chariot and the reins of Government? Not for a week, not for an hour. Honourable members know, as well as I do, the Opposition policy is criticism. May they criticize! but when they ask the country and ask members to help them to direct the colony in the way it should go, the country gives them their answer at the hustings. Now, let me turn to a point in the Statement which deals with land-settlement. A comparison table is furnished in the Budget of this year as to the amount of land taken by the Government for settlement. Every member in this House, whether on the Government or the Opposition side, admits that the Land for Settlements Act is an Act which no honourable gentleman would even suggest the repeal of. Let us have a look at the table, and allow me to quote a table in reference to the land purchased by Government during their term of office, and I will show you, as far as Wellington is concerned, the Province of Wellington has been left shamefully out in the cold by the Seddon Administration. I do not know why it is. Have the honourable members opposite — Mr. Atkinson and Mr. Hutchison — Mr. Wilford vince on the Government? I have done so. Mr. ATKINSON .- You run your own show. Mr. WILFORD .- If you ran your own show, and Helios handed over the reins, where would you go to? But let us turn for a moment to the figures, and find what land has been purchased — what areas, and at what price. We find the following from the return carried to March, 1900 :- Price paid to Seller Land District. to 31st March, 1900. d. £ A. R. P. 12,955 Auckland 118,428 14 0 2 10 .. Wellington'. . 2 57,155 5 10 4,551 0 60,854 150,444 Marlborough 5 3 15 9 3,634 Westland 1 3,230 6 6 1 728,414 Canterbury 127,809 8 1 19 333,317 5 11 Otago 58,515 1 18



Southland 20,365 43,032 15 9 .. 0 9 Grand totals 324,167 1 36 £1,523.926 10 6 The necessity for acquiring land in Hawke's Bay is admitted, and the holding of large areas as in the past by a few individuals is inimical to the interests of the inhabitants of New Zealand and especially to those of the young people who wish to get on the land. Turn to the land acquired under the Act of 1894. and in another table we find in the Hawke's Bay District 45,900 acres purchased, valued at #229,593 ; in Wellington, 11,158 acres, valued at £58,944 ; in Marlborough, 3,600 acres, valued at \$8,250 ; in Canterbury, 9,023 acres, valued at £50,406 ; and in Otago, 1,152 acres, valued at #3,000. Now, taking the lands actually let, the rentals pay interest at 4.8 per cent. ; 8.30. the lands unlet would bring in rentals of £3,671, which, if let, would bring in interest at the rate of 5.1 per cent., and some of the money has been borrowed at under 4 per cent. Then, I turn naturally from the land for settle- ments to roads and bridges and public expendi- ture ; and I put before the House, and I pu: these facts in Hansard for those in the country who take the trouble to read statements in re- ference to the comparisons of expenditure and works done on roads by the Department of Lands and Survey for the years ending the 31st March. 1900 and 1901, exclusive of work done for the Department of Mines : - Amount Land District. Expenditure. voted. Auckland- £ 1900 151,485 76.283 . . 1901 171,979 92,255 Hawke's Bay- 50,532 1900 33,057 . 83,459 31,336 1901 . . Taranaki- 1900 43,873 28,435 .. 1901 49,718 33.058 Wellington- 118,643 61,339 1900 .. 1901 146,575 72,039 ..

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And so on. Therefore members will see that a | way workshops of the colony are concerned, comparison of these tables goes to show that, so there is yet room for improvement. The dif- far as the amounts voted for public works are ferent branches of the service are huddled to- concerned, the expenditure has been well up to gether in a way that is inimical to rapid work- the margin. A progressive policy of expendi- manship; and were the works extended on the ture has gone on in regard to public works, and vacant land at Petone, which the Govern- L the total for 1900 of the expenditure is \$281,124, ment own and have acquired, that would give while the total for 1910 is £301,660. Honour- the workshops at Petone ample room for work, able members will see by that table that the and they would become first-class workshops, expenditure on roads and bridges under the and remain what. perhaps, they are now ad- Department of Lands and Survey of this mitted to be, the best workshops in the Colony colony for the years ending the 31st March, of New Zealand. Now, we notice that the , 1900 and 1901, compares not only favourably colony has been making its own engines, though but is in advance of the expenditure of former within the past few months they have imported periods. Now, while considering the question some from America. The character of those of expenditure on roads and bridges, there is engines I have discussed with men who know. another matter which I intend to make a point The difference between these so-called Yankee of to-night, and which I intend to keep at until engines and those of English manufacture, I I get a satisfactory settlement -- it may take a understand, is this: The Yankee engines are long while-and that is, the expenditure by put together quicker and run more quickly the Government on railways. It is admitted than the English ones; they do not require the that railways are the servants of the city ; same breaking.in. The machinery in those that unless you have got rapid and effi- imported from Home, I understand, is more cient communication you 'cannot have com- mercial or industrial activity. You require may be finer-that is, though it is not so rough as that on the Yankee engines-the Yankee railways to be run at a cheap rate; and you require that no private companies should engines that have been imported readily do the hold railways for their own use ; and you re- work that is required of them. They did good quire that the whole of the railways should work during the Duke of York's visit, and have belong to the colony or State. The reason for done other important work, and for heavy that is simple and plain. If a private com- pany owns a railway they run that railway not only to help the public, but for the purpose of paying

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

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favour of the expenditure of the money re- quired, and I may tell members of this House that to-day there is in the department a plan, prepared during the last few months, showing the proposed double line of rail- way from Wellington to the Lower Hutt, showing the straightening of the line between Wellington and the Lower Hutt; and on that plan, which is numbered 10302, there is not only the proposed straightening of the line, but the proposed increase and proposcd enlarge- ment of the workshops at Petone, and the erec- tion of a new railway-station there. Honour- able members will pardon me referring to my particular constituency, but it is the only oppor- tunity one has for putting this matter fairly before honourable members. To my mind, no provincial jealousy should interfere in the grant by the Government of the country of a sum of money such as is required here, and which, it is admitted, would earn interest on the money expended. There is no doubt at all, in the opinion of practical men, this work could be done under £100,000; and I say this to honour- able members : that, according to an estimate which the Government

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

regard to the railways generally, I congratulate the Hon. the Minister for Railways upon the concessions he has granted, and there is no doubt the concessions are not imaginary. They are real. One

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table of concessions quoted there :- Insurance Department to the Accident Insurance Department. Is the advance from the Reduction- Live-stock rates 25,000 once a loan repayable in the future? If it is Firewood, chaff, and lime 8,000 not to be repaid it will be a fraud on the policy- Free carriage of lime, butter, eggs, holders in the Government Insurance Office. and fish empties 1,500 If the policyholders of the Government Insurance- .. Abolition of extra charge of Insurance Department are to stand out of their One penny per ton on branch lines 3,000 bonuses for a period in order that the Acci- Agricultural produce 45,000 dent Insurance Department may be properly .. Butter and cheese 5,000 .. carried on, that will be a wrong to those policy- . 1,000 Artificial manures holders. I trust that some fair arrangement .. . Bricks, clay, coal, &c. 3,000 will be made in this matter. I wanted to General reduction of ordinary passenger tickets for workers on Auckland- my little experience in regard to co-operative land, Wellington, Christchurch, and labourers, and in regard to the officers in that Dunedin suburban lines ... 1,600 department, I may say that I think that some- Concessions to race - horses, polo - thing should be done in regard to the auditing ponies, hunters, and hounds re - of imprest accounts held by the officers in this turning from races, polo meetings, department. The imprest accounts of officers 2,800 and hunts who pay the co-operative labourers are not Carriage of goods from centres to ports audited. It may be said that the imprest itself for shipment, dead-weight instead is an audit. I contend, however, that it is not of measurement 1,100 an audit, and that has been proved in the prosecutions which have taken place in our Courts. .. £165,000 Total of The accounts have not been audited for years, At the same time the receipts from the rail- and that is the cause of defalcations which have ways are steadily increasing. We have had taken place. The co-operative system is a new extraordinary things happening, which have system, and I would suggest to the Premier, made the receipts probably more in regard to and to the Minister for Public Works, who has passenger traffic than has ever been the case in charge of the department, that some system of any corresponding period ; but there seems to be audit should be introduced, in order that there no doubt that, as far as the railway finance may be no defalcations and no mistakes. is concerned, "all is well." Now let me turn for a moment to the Government Advances to Settlers Office. In a very few words I wish to have only got it since the last prosecution, which was some ten months ago. The honour- applaud and agree with the Government in what they are doing so far as that department able gentleman says it has just been instituted. is concerned. The amounts authorised up to If that is so, I congratulate the Minister upon the 31st March, 1901, amounted to £3,244,900. it, and claim credit for having urged the necessity for it last session. I can tell the House The advances were made on freehold and leasehold and the Minister, however, that the co-operative hold securities, but a large number of applicants tive accounts have not been audited for years declined to accept the amounts offered by the past, and the defalcations which have taken Board. The securities now held are valued place are no doubt due to that fact. There are at £5,859,039, so the advances of £2,679,520 other matters which I should like to speak recently made are well secured. The amount upon, but they would take up too much time, advanced on leasehold is only a little over and my time-limit has now expired. I thank honourable members for the attention they \$500,000. In the statements of receipts and have paid to what I have said. I regret that expenditure for the year ending the 31st March, 1901, I find the chief items are : receipts I have not been able to deal with all the sub- for interest on mortgages, £84,454 10s. 4d., jects which I have made notes upon ; and, while the expenditure for interest on loans although I have spoken as quickly as possible, is £66,077 3s. 9d .; thus, after

deducting the I have yet been unable to cover the whole of the ground which I had intended to deal management expenses, £3 933 14s. 5d., a clear with. In conclusion, I will say this: I do not profit remains of £14,513 12s. 2d. I regret that the time-limit prevents me going over believe that the colony is on the brink of finan- half the matter which I have in my notes. I cial disaster, or that ruin is staring us in the would like, however, in the last five minutes face. I do not believe that our finance is un- of my time to ask one question. The Govern- sound. I do not believe that those people who cry " Wolf " will be believed, for they have cried ment propose a vote for the Government Acci- dent Insurance Department-that is, there are " Wolf " so long that not much attention is now paid to their cry. They have cried " Wolf" certain increases put down for officers in the Government Life Insurance Department who ever since the Seddon Administration has held the reins of power, and the public are beginning are to undertake the work of the new Govern- to realise that their cry is not to be believed. I ment Accident Insurance Department. I want to know what are the terms upon which the am quite sure that the figures given by the Government Insurance to the Accident Insur- Mr. HALL-JONES .- We have got it now. Mr. WILFORD .- If you have got it now, you

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

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

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

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

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



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

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point in regard to which I should like to see moneys. There are four points to be specially the machinery improved. If the gentlemen who sit on the Conciliation Boards got as much for composing industrial struggles as for fomenting them, I venture to say there would be more conciliation and less irritation. It is surely a monstrous thing to put a Judge in the position of having the amount of his salary dependent on the length to which he protracts a lawsuit. That is surely lowering him to the level of a common police-court lawyer, and I think we can hardly take him lower. Surely that is a very undesirable thing, and that is a matter over which this Legislature has direct control, and in regard to which it can and, I think, should legislate without violating any principle whatsoever of these labour measures. But there was another measure passed last session, and not a labour measure-that far-reaching and disastrous Public Revenues Act-by which we have actually brought the President of the Arbitration Court, a Supreme Court Judge also, into a very false position, because he also is to a certain extent now paid by results. If honourable members will look at section 112 of the Industrial Conciliation Act of last session, subsections (8) and (9), they will see that the Governor is empowered to make regulations prescribing what travelling-expenses shall be payable to the members of the Arbitration Court, including the President, and also what fees shall be paid to the members of the Arbitration Court, excepting the President. The President's fees are excepted from the operation of the regulations by the subsection ; but, notwithstanding this, in or about March last regulations were gazetted fixing the fees and travelling-allowances to be paid to all the members of the Court, including the President. This shows what a far-reaching power this Public Revenues Act gives to enable the Ministry of the day to override the express enactments of a statute. Attention was first drawn to this point, as far as I know, by the late member for Christchurch City (Mr. Lewis), and I should like to cite to the House a paragraph in his letter to the Christchurch Press of the 30th March, in which he puts the case very concisely and admirably, as it seems to me. It is entitled "In the pay of the Premier," and shows how, under the Public Revenues Act, everybody, from the Supreme Court Judge, and even the Governor, downwards, is " in the pay of the Premier." He says,- "Item: The House by Act increased the Governor's salary by £2,000 a year. On the supplementary estimates appeared a vote for \$1,000 on account of certain work at Government House, for which under the Act the Governor himself should pay. Item: The salary of the Speaker by Act is £600 a year. On the estimates there was an additional \$200. Item : The Chairman of Committees likewise receives \$200 by vote. Item : Members of Parliament vote themselves \$40 a head. Item : A Judge, whose salary is \$1,500 a year by Act, is to get two guineas a day additional, although a second Act

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

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

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

Year	Oats	Wheat
1900	231,397	87,924
1899	286,102	552,270
1898	672,247	2,463
1890	338,476	351,494

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

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and especially the personal omnipotence of the head of the Government, is simply reverting to the primitive days of our race, with its benighted belief in the powers of the King and the " medicine man." There are certainly some tribes still living in such darkness, but it is an extraordinary thing to me to hear the advocates of Liberalism championing a theory which is nothing but a reversion to a very low state of

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

employ a contractor whom I know to be a substantial man I am safe. That is an unforeseen direction in which that Act tells against the independent workman who is his own employer. Another matter for which the labour representatives of this House are responsible is in regard to mortgages : a claim for compensation under the Act is made a first charge upon the land, even taking precedence of a previously registered mortgage. In my opinion, the most disastrous thing we put on the statute book last session, except what we did for the personal advantage of ourselves and Ministers, was this particular provision. One labour member has complained recently of the case of a man who was going to get some money at

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

and he was now with- out property. Mr. Haselden, S.M., said that this was the first case he had heard under the statute of 1900, and he could not see his way to make an order, though he would have done so under the old statute. Under section 3- except in cases of default in connection with penalties, trust moneys, or moneys obtained by fraud - no order of committal to prison can be made, except 'where it is proved, or by the debtor admitted, that he has money of his own which he has refused to pay to the judgment creditor.' It seems that in the absence of present possession of property, the debtor escapes scot free." . That is the opinion of one of the strongest opponents of the judgment-summons system in the colony, and that is a case in which even he would have made an order under the old Act. I intended to quote a passage from last year's Hansard, where, at the conclusion of the debate on the motion to agree to the proposed com- promise with the Legislative Council, all the legal gentlemen in the House who spoke having insisted that the Bill in the form in which it was being put through was practically repealing the operative portion of the original Act, the Premier insisted that it did not, and that he did not desire the repeal of that section. I there- fore suggested the insertion of a proviso to the effect that nothing in the Act should affect the operation of section 8 of the principal Act. The Premier refused to agree, on the plea that to do so would be to confess that he was wrong in his contention. Not a single Magistrate has held that he was right in his contention ; and within a month after the passing of the Act every Magistrate and lawyer knew that section 8 of the old Act had been in effect repealed, though it was only on the assurance of the Premier that that was not the effect of the Bill in its then form that the House accepted it. I should like now to say a few words on the Public Works Act Amendment Act of last session. Section 20 compels any owner of land on subdividing his land, to dedicate, and, if in a borough or within three miles of one, to form and metal a road 66 ft. wide. That section, which we passed without much consideration. is causing something like a dead-lock in the matter of land transactions. Where it applies.

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and the Registrars have not winked at its evasion, it is most vexatious in its operation. It is absurd to say that a road or street should be not less than 66 ft. in width, say, on the Kai- warra or Kilbirnie hills, and that it must be formed and metalled as well as dedicated. I say it is nothing short of robbery to insist on roads of that kind. We do not want 66 ft. metalled roads on the top of hills like those above Kaiwarra. A road which is a chain wide and 10 chains long occupies an acre of land ; if the community wants land at that rate from private owners, it should pay for it. The present procedure amounts to confiscation. As I said before, "Everything in the garden is lovely "-especially in the Premier's. The garden of the colony has been enlarged by the annexation of the Cook Islands; and the Premier's garden has been, or is about to be, en- larged by another annexation. Section 26 of the Public Works Amendment Act of last session was not originally in the Bill, nor was it in a supplementary Order Paper containing the amendments to be proposed in Committee by the Minister in charge of the Bill ; but it was put in, without previous notice, between two and three in the morning, just a clear week before the end of the session. It reads as follows :- " The definition of ' public works,' contained in section two of ' The Public Works Act, 1894,' shall be deemed to include Ministerial resi- dences and other public buildings, and the Minister may acquire any land adjoining any such Ministerial residence or other public build- ing for the purpose of securing the same from fire or any other purpose." Now the "other purpose " for which the Act was passed, and for which it is being worked, is for enlarging the garden of the Minister, who resents that his neighbours should have a bigger garden than his own. This section of the Public Works Act is well known in Wellington as " the Ahab clause," but honourable members from other parts of the colony may not be so familiar with it. I have got a summary of the facts concerning its operation, or proposed operation, which is contained in a letter written to the New Zealand Times of 22nd May last by Mr. Martin Chapman, one of the three owners concerned. It was written as a comment on some editorial article that had previously ap-

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

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voice saying, 'Thou shalt not steal.' And the king answered and said, 'I did not steal it; I only annexed it under the Public Works Act.'"" There was a poet in the last century, or rather the century before that-the eighteenth cen- tury-who wrote some satirical verses on " The Modern Patriot," - But oh! for him my fancy culls The choicest flowers she bears, Who constitutionally pulls Your house about your ears. But had he lived now he would surely have written the stanza thus :- But oh ! for him my fancy makes The choicest garlands grown, Who constitutionally takes Your garden for his own. I had proposed Sir, had time

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



evidently the result of very painful and laborious preparation. Well, they are not so much appreciated here, perhaps, as they would be, say, under the management of Mr. Dix, or Mr. Fuller, or some of these gentlemen who may be in need of a painstaking and conscientious corner-man who would work very hard in getting up his jokes. I suggest that is a sphere in which the honourable gentleman's talents would be better remunerated and more appreciated than in this House. But, Sir, it does seem a shame that an hour should be practically wasted in this House by a speech of the kind the honourable gentleman made.

I think he

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

appear to me that that is a fair or a proper way of dealing with the Statement. What does the Budget say ? Let us see whether there are any reasons for this cry of alarm which some honourable members have sent up. Last year, as far as the revenue was concerned, £5,906,616 was the amount, which is a record year. It was an increase of \$273,320 on the very favourable return of the year before, and that, it must be remembered, in the face of large remissions of Customs taxation, of railway rates, penny postage, and a number of other remissions, amounting, perhaps, to a quarter of a million. These returns, I submit, Sir, are absolutely phenomenal. They demonstrate beyond argument the splendid public prosperity of the colony. There is nothing, surely, to be alarmed at about them. Now, as to what may be expected next year, the Treasurer estimates that the revenue is likely to be £5,896,000. Now, whatever the faults of the Colonial Treasurer may be, and whatever criticism has been levelled against him, it has never been suggested that he is in the habit of over-estimating his revenue. It is a notorious fact that the present Colonial Treasurer always under-estimates his revenue. So that I see no reason to doubt, seeing that the amount he has estimated as likely to come in next year is less than he has received this year-I see no reason to think that the estimate will be too much. On all the heads of revenue last year, with one small exception, there is a considerable increase. There is no sign of danger there, at all events, nor any cause for alarm. Now, I am told that that may be all very well, but the public debt has increased : " Look at how the public debt has gone up, by twelve, fifteen, or sixteen millions in ten years ; why, that is enormous, the country cannot stand it." Now, I have observed that a number of gentlemen, when dealing with this question of the public debt, have been extremely emphatic about the increase of it, but have never said a word as to how that increase has been made up. They have made no attempt to analyse how the increase was brought about, what purpose it was put to, whether it is earning any money in return for the expenditure or whether it is not. They simply content themselves with saying we have increased the debt so-much, and therefore we must be on the point of ruin. Now, for the purpose of putting the matter in its true light, I have been at some trouble to get up a small

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

shown in the table just given. It also showed what each amount earned, and the result was that, of the interest- and rent-paying millions we borrowed, we were about £70,000 to the good so far as income was concerned ; that is to say, we received in rent and interest more annually than the money actually cost ; and, as to the money which was not directly interest- or rent-earning, the £70,000 practically paid the interest on that. My belief is that if such a table were compiled again and submitted to the House and the country it would be found that the interest which was earned by the borrowed money which comes under the head of interest- earning money would actually pay the interest on the balance of the loans which are not direct interest-earning. Well, again I say I see nothing very much to be alarmed at in that. Now, one or two members on the other side of the House have uttered a warning with regard to the rate at which we are borrowing. I should like to remind those honourable gentlemen opposite of the utterance of one of themselves, one who is not the least respected, not the least honest or capable of his party. What did that gentleman say ? He said, - "The Government deserved credit for sticking to its policy of land-settlement and for pursuing a policy of moderate borrowing. The Government had just borrowed enough to prevent the pressure of interest being felt in the colony." That was said on the public platform by one of their number. Have they any respect for the name, do they attach any weight to the opinions, of the Hon. William Rolleston, because those words which I have quoted are his ? He is one of the most able and honourable of the gentlemen of the Opposition party, though not now actually in this House; and from the time he uttered those words there has been no change whatever in the borrowing policy of the Government. We are borrowing just a million a year for public works, roads, bridges, et cetera. An Hon. MEMBER .- When did he say that ? Mr. BARCLAY .- In December, 1899, or it may have been in November. We have borrowed at exactly the same rate since then as we did before. We borrow exactly a million a year for public works, and only just so much as is necessary for advances to settlers and the purchase of land for settlements. I say this year there is exactly the same proposal to borrow a million a year for public works, which we cannot possibly do without. So far as the advances-to-settlers and the land-for-settlements policy is concerned, those Acts will come before the House in due course ; but, so far as the Budget is concerned, the only proposal is to borrow a million a year. Mr. SEDDON .--- We have never had less than a million a year since the public-works policy was initiated in 1870. Mr. MASSEY .- What a statement to make. Mr. SEDDON .- You will see. Mr. BARCLAY .- One honourable gentleman to-night has said we ought not to borrow. I

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at these increases. I find that the chief in- City (Mr. Hutcheson) said we ought not to create creases in the Colonial Secretary's Department. It is pure nonsense to talk of building ment, the Post and Telegraph Department, the public works which we are to hand down to generations yet unborn-those unborn millions Education Department, the Department of Agriculture, and the Defence Department. In of which we have heard so often-to say that the Colonial Secretary's Department the in- we are to hand down these public works to them create is £69,300, and if we turn to the estimate absolutely free of encumbrance. I ask, Is it mates it is plain how that increase is caused. right or just that we should tax ourselves to There is, of course, the census. The census is build these public works simply to hand them responsible for £23,270, the sum last year for over free of debt to posterity ? No honourable gentleman will venture to tell me that these the Registrar-General's department being only £5,422. Take the Public Health Department : works should remain at a standstill until we can well, everybody knows that, owing to the passing afford to pay for them out of revenue. The of the Public Health Act of last year, consider- thing is unarguable. It reminds me of a passage able expenditure must take place in that department in Lord Macaulay's history. At the time when ment. We have consequently an expenditure the national debt was founded in England, that of £12,784 under the head of Public Health, as country had been at war for some time, and it against

£511 last year. Then, there is the office had been the custom to pay the abnormal ex- of Trade and Commerce, which calls for \$8,908, penses for the year out of revenue. Of course, as against £304 last year. The tourist-traffic is that became unbearable after a time, and they one that is likely to be valuable for New Zea- had to resort to the process of borrowing for the purpose of an expenditure the benefits of land, and as all members approve of the crea- tion of the department, money must be spent which would pass to posterity ; and Macaulay in that direction. It is put down at £16,147, as says here-and the argument is very applicable against \$5,278 last year. Then, there are the to the state of affairs in regard to public works miscellaneous services, which absorb £81,398, in New Zealand,- " Why meet the extraordinary charge of a as against £52,512 last year. Of course the Royal visit is accountable for a good deal of year of war by seizing the chairs, the tables, the extra expenditure under this particular the beds of hard-working families ; by compel- head. There, then, is the bulk of the increases, ling one country gentleman to cut down his and can any honourable member conscien- trees before they were ready for the axe ; an- tiously lay his hand on his heart and say that that other to let the cottages on his land fall to extra expenditure is not justifiable, and not such ruin ; a third to take away his hopeful son from as he himself approves of ? I do not think any the university when Change Alley was swarm- one can. As to the Post and Telegraph De- ing with people who did not know what to do partment, I need not say much about it. The with their money, and who were pressing every- honourable gentleman in charge of it has ex- body to borrow it ? " If for " war " the words " public works " are plained so clearly the position to the House that everybody must fully understand that the inserted, the quotation is very applicable to the work of that department has considerably in- state of affairs in New Zealand. The position creased, and that consequently the expenditure here is exactly the same. We cannot construct must also be increased. Then, take the Educa- public works out of revenue. We must borrow, tion Department. The scope of the work in and it appears to me that the least amount we that department has been increased by the should borrow at present is a million a year. I Technical Education Act of last year, and we can imagine the faces of some honourable mem- cannot pay 3d. a head for all the pupils who bers if it were proposed to stop the public works. attend the technical classes, and pay the grants I can imagine the faces of the honourable and the other demands, without expending a. members from Auckland if it were proposed considerable sum. I really think that the ex- to stop the Main Trunk Railway. We heard penses of the technical education branch, last session a great deal about the " irreducible coupled with the increased capitation, makes minimum " of expenditure on that line. Then £67,000 a very moderate expenditure. Then, there is the Otago Central. Could I for an we come to the Department of Agriculture. instant agree to allow that railway-line to have Honourable gentlemen on the opposite side of its terminus in the Poolburn Gorge? No, not the House are supposed to be trying to identify for an instant. Then, there are various other themselves with the agricultural interest. They public works which would be similarly re- are attempting to pose as its special champions garded by the members representing the dis- and friends ; and surely the member for Patea triets in which those works are. The fact, and other honourable gentlemen on his side of however, is so patent that I shall not waste the the House, who are always talking about the time of the House by further dealing with it. oppressed and the down-trodden farmer, will Now, I am told, "Oh, well, leaving the ques- not object to an increase of \$17,005 in the De- tion of the public debt, it is the future expen- diture that is the dangerous thing. There is a partment of Agriculture. great increase even on last year's expenditure." Now, Sir, this increase, excepting the increase that. in the way of interest and sinking fund, are not taxed nearly as much as you ought to which, unfortunately, cannot be diminished, be. I will come a little later on, if I have time, amounts to £222,467. Well, turning to the Captain RUSSELL .- We are all taxed for Mr. BARCLAY .- Yes, that is true ; but you

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colony ought to be taxed, and I shall show the honourable gentleman some facts and figures with which he is, perhaps, familiar, but which he never publishes to the world in his public speeches. Now, take the Defence Department. Well, now, I am afraid I must call a halt. In this department, I must confess, there seems to be something queer. If one hears at any time about anything going wrong, of a muddle of some kind, of any trouble or scandal in some department or other, and if one is asked to guess which department it is, in nine cases out of ten if one guesses the Defence Department one would be right. I do not think that it is the fault of the honourable gentleman who is in charge of the department-I mean the Minister of Defence. As far as that honourable gentleman is concerned he has plenty of energy, and decision, and knowledge, and I know of no one in the colony who is likely to make a better Minister of Defence than the honourable gentleman. I believe that in the way of energy, enthusiasm, knowledge, and skill, he makes the best Minister we could have; but somehow or other the department 11.0. does not seem to work very smoothly. In regard to the expenditure of that department, last year it was £206,000 odd, which included over \$87,000 for South African contingents. This year, while there is only £30,000 put down for contingents, the expenditure is to be £213,000, which is £7,000 more than that of last year. Perhaps it will be said that this is on account of increased capitulation, but it is not so. The estimated amount for last year was £40,000, but only £16,000 was spent, and there is only \$30,000 put down this year. The cost of the new rifles is not included in these estimates. There is an amount of £20,000 for small-arms ammunition, but I do not see anything for new rifles. As to the vote of \$373,428 proposed by the Committee of last year, I understand that the authority to expend that is under the Defence Act of last session. As far as this department is concerned, it will probably be as well for us to look into the expenditure when it comes up; but I should like to say here a word or two in regard to the defence proposals, and the defence management of the Government. I may not be correct, but I have a very strong idea that it is a weak spot in our defence scheme that so little attention is paid to the Militia. If there is a lesson to be learnt from the unfortunate war in South Africa it is as to the value of the citizen soldier. There is no doubt about that, and there is no doubt that those people with whom we are at war were trained in the use of weapons, and had some elementary knowledge of entrenchments, and knew how to handle guns. It appears to me that it would not be impossible to inaugurate in this country a scheme by which the bulk of our inhabitants would have a little training, which, at all events, would be of some use. Remember that it is in defensive work that this sort of training is valuable. We do not propose to go on an offensive warfare, but it may be necessary Mr. Barclay is training in defensive work that will be found extremely valuable. I will ask the House to permit me to read an extract from a very valuable paper on the subject of defence by a gentleman who is well qualified to deal with a question of that kind. In regard to the Militia he says :- "Militia rolls should be made up and kept revised each year, and in cases where the fixed establishment of Volunteers fell below the minimum fixed by the Government, either in a centre or in any of the surrounding towns or townships, the Militia provisions of the Defence Act should then be enforced, and the first-class Militia called out for drill purposes." Then, - "The expense of drilling any portion of the Militia would, it appears to me, be but trifling. There would be no necessity for uniforming the men, and they would be called out for drill in their own time -morning, and evening, Saturday, and other afternoons when holidays are observed, &c. All that would be required would be drill-instructors and arms and accoutrements. The former could be supplied by the officers and non-commissioned officers of the Volunteer Force, and, as to arms and accoutrements, they should be in the colony against emergency arising." My time, Sir, is going very fast, and I should like to deal at some length with this question of defence, but as I have a lot of other matters that I wish to deal with, and probably another opportunity will arise, when we come to the Defence estimates, or on the first item of Supply, I will leave what I had to say in regard to that matter for another occasion. But, before leaving this question of the finance of the colony and the increase of the public debt, I should like to say something that certainly is

not new-to make a statement for which I do not claim any originality- namely, that the interest which we have to pay on our debt is a great drain on this colony. It is the heaviest item of expenditure that we have, and I say that the time is rapidly coming when the question will have to be considered whether we cannot manage to make some of our public works without going to London to borrow the money. As far as I understand the process, what happens is this : We are not able to build a mile of railway in this country -unless out of revenue - without getting the permission of a number of gentlemen who live or sit in London. We desire to borrow the money to build a railway ; but we do not get, of course, any coin ; we do not get any notes ; we practically get nothing but the loan of the credit of the gentlemen in London who are supposed to lend us the money. They practically guarantee our credit at the bank. Then, of course, the exports we send Home practically pay what is to be paid in the way of interest for our loans, and pay for our imports as well. Now, it appears to me that a scheme or reform could certainly be suggested or proposed by which we could avoid paying £3 or £3 10s. per \$100 to these persons, who practically merely

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ness of statistical materials at our disposal, guarantee us, for the rest of our natural lives, we see at once that a great birth-rate always or as long as the loans are for. Of course, what is really at the back of the thing is the answers to a great depression of the working-classes, to smallness of wages, to a bad distribution of wealth, to an absence of social capital. The countries where public wealth is by which this work could be done by ourselves most widely divided, such as France, Switzerland, and Belgium, are those where the birth-rate is high. If you pay us 3 per cent. per annum for guaranteeing you we will allow rate is least ; while, on the other hand, Russia, you to go on with your works-or whatever is Servia, Hungary, and Germany-that is, where contemplated ? " I need hardly refer, either, here the distribution is worst-are those which have to the question of the gold currency. I presume that nearly every honourable member in this House knows pretty well the facts of the formulates : - case. Our currency is on a gold basis, and everybody knows that our debts could not be the moral feelings of the popular classes the paid in gold if called upon to be so paid. The more restricted are their pleasures to those of amount of gold that is available to pay debts in sense, and so much the more is their birth-rate variously estimated from 1 in 40 to £4 in the abundant and disordered. £1,000. An Hon. MEMBER .- 2 per cent. Mr. BARCLAY .- 2 per cent. Of course, the diffusion of wealth, every increase holders of the sovereigns have an enormous addition of wages and of the standard of living exercises advantage in this way. It has been pointed out a useful influence on their birth-rate. over and over again that, the currency being to the birth-rate than high wages and the diffusion based upon gold, the gold necessary for business purposes does not increase at the same rate as diffusion of ease. the products : the business increases a great many more times than the supply of gold. The consequence is that gold appreciates-that is, gets more valuable - and if you want a sovereign you have got to give for it more goods than you would have if the volume of goods in trade had not increased. The amount of goods in the market increases greatly, and the number of sovereigns does not increase to the same extent; but they have to go round, and obviously you must give more goods for the sovereign, if you want it, than you did before. Of course, part of the decrease in the value of wool, for instance, may be owing to the fact of cheaper production, and so on, but a considerable part of the decrease is owing to the appreciation of the sovereign and the scarcity of gold. Now, in a colony like this, not very much can be done by the colony or the Government in regard to this particular matter. It is a matter between great nations like England and America ; but the time has come in this colony to seriously consider whether State notes should not be issued, at all events, for domestic circulation .. That, I think, could be done.

There is a curious point in the Financial Statement about which I should like to say a word or two. The decrease in the birth-rate is deplored. In regard to this decrease in the birth-rate, in the first place it is nothing so very serious in any case. It is rather less than in any of the other colonies. But there seems to be an opinion in some quarters that this decrease necessarily means great disaster. Curiously enough, the opposite seems to be the case. The decrease in our birth-rate is only 5.48 per cent., which is lower than in any other colony. It is a curious thing that a large birth-rate is always coincident with a poor nation. It is always coincident with a bad state of affairs. There is an authority on the subject, a scientist named Francesco Nitti, and this is what he says,- And, again, these are the laws which he "1. The lower the economic situation and " And, on the other hand,- "2. Every improvement of the general condition "Hence nothing is more certain to fix limits "Countries where the ownership of the soil is much subdivided, as in France ; countries where the working-man has succeeded in winning high wages and short days, as in the United States of America, have a slight birth-rate. Even England, a country so naturally prolific, now that the economic causes which heightened the birth-rate have grown less, has a decreasing birth-rate. "It is clearly to be seen that a very high birth-rate always corresponds with slight wages, long days of work, bad food, and hence a bad distribution of wealth. " India, the classic country of abundant fertility, is the country where the economic phenomena referred to are seen much more intensely than elsewhere. " On the other hand, in the United States of America, notwithstanding the traditional fecundity of the British and Germans-who form the substance of the population - the birth-rate among the native-born is very slight; and, putting aside the other reasons of a political and ethical kind, the high standard of living, the large wages, the short days of work exercise their influence in limiting the birth-rate, and make the native-born population but slightly prolific." Why, it is another argument on the Right Hon. the Premier's side. This small decrease in the birth-rate points probably to an increased prosperity and a better state of affairs in the An Hon. MEMBER .- You do not believe in colony. large families ? Mr. BARCLAY .- Not if the parents are unable to properly maintain them, and if they are so large as to add to the unfortunates who have not got a proper chance in life through not being properly brought up and properly trained, and properly housed, properly fed, and properly

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or two in regard to the Lands Department. Now, in regard to that department, I have said before in this House, and I should like now to emphasize the fact, that there is a black blot upon it, and the blot is this : that daily, weekly, monthly, and yearly the freehold of the lands of this colony is slipping from our grasp. Turn to the official tables-I have the Year-book for 1899; somebody walks off with the latest Year-books for 1900, and modest members cannot get hold of them-and you will see that up to the year 1892-93 the bulk of the land was disposed of on the perpetual-lease system. After that year occupation with the right of purchase and the lease in perpetuity became the standard systems under which the lands were disposed of. Last year, quoting from the Year-book for 1899, there were 109,950 acres disposed of under the occupation-with-right-of-purchase system, and 159,415 acres under the lease in perpetuity, and that was by far the greatest amount of land disposed of. Then, take the number of the selectors: Last year there were for cash, 534 selectors; occupation with right of purchase, 458 selectors; lease in perpetuity, 665 selectors; and 106 lease-in-perpetuity selectors under the village-settlement system : making a total of 1,773 under those systems out of a total number of 1,953 selectors. Of other selectors there were only 180, and of this 180 forty were for small grazing - runs. Turning to the areas of land disposed of, there is the same result seen. Enormous areas of land are being disposed of now. The only national asset that we have, the only thing that we could say was really the property of the people as a whole, is being parted with year by year and acre by acre, and it is high time that that was put a stop to. And what an anomaly is here : We are buying back the big estates month after month, and yet month by month we

are selling back the freehold ; and, by a return laid on the table the other day, I find even that the number of large estates is still increasing. Now, that must be stopped in some way or other. I hope the question will be seriously grappled with by the Minister in charge of the department, and that he will endeavour to do something to check, at once and forcibly, the evil. I regret to say that I have wofully miscalculated the amount I am able to get through in the course of an hour, and that I have still material here that would occupy me another hour or two. But before I sit down I would like to say a word or two about some agitation that is going on in the country just now as to the industrial laws, and as to the question of the farmer versus the artisan, the mechanic, and the labourer. There are some persons in the country-wicked people, to my mind -who seem to desire to set class against class ; they seem to desire to set the farmer against the artisan, and they raise a cry against the industrial laws, and say that they are ruining the country and doing all kinds of harm. Now, what are the chief industrial laws? They are the Conciliation and Arbitration Act, the Factories Act, and the Mr. Barclay effect of these laws ? Have they unduly raised wages in the country? I say they have not. Look at the Federation Report. Take the report of the Federation Commissioners, and you will see that these gentlemen say, on comparing the wages in New South Wales and Victoria, that the wages in New Zealand are no higher ; and they say, moreover, that the cost of food and living in Australia is less than it is in New Zealand. And the president of the Wellington Chamber of Commerce, Mr. Reid, says that living is fifty per cent. cheaper here to-day than it was twenty years ago; and I think we may take the president of the Chamber of Commerce as some authority. I say there is nothing more amusing that I have ever heard in this House, whether the humour is conscious or unconscious, than the statements made by some honourable gentlemen as to the hard manner in which farmers and landowners are treated. Why, the farmers and landowners are coddled and nursed and looked after by this House in the way that no other class is. As to labour, what does the Department of Labour cost this country ? Why, it costs the country \$7,000 odd per year-that is the total cost. And what does the Agricultural Department cost ? It is to cost nearly £92,000 this year. Take the railway concessions the honourable member for Ashburton mentioned : \$76,000 in railway concessions, and purely on agricultural-produce alone. Who gets the benefit of that? And then there are all these loans that are spent on roads and bridges : on what is all that money spent ? What a contrast to what is done for the artisan in the cities ! Who ever raises loans to lend money cheaply to the manufacturer ? What has been done for him ? Who is lending him a hand ? Sir, it appears to me that the position of labour in this country, and in any country-its dignity and its value-is not realised by some honourable members. There is no doubt whatever that the wealth that is possessed by this colony-or any country-is the product of its natural resources and labour. It never seems to enter into the heads of some honourable members that now and for centuries past the workers have never had a fair share of the wealth that they themselves have been and are the chief factors in creating. In Britain the workers form 80 per cent. of the population, and they get one-third of the national income. Supposing the income of Britain was \$100, the workers, who form 80 per cent. of the population, would get £33 6s. 8d. of it, and the non-workers, who form the other 20 per cent. of the population, would get €66 13s. 4d. That is to say, each worker would get 6s. &d. per annum, and each non-worker would get \$3 6s. 8d. Now, is that fair, is that right ? Do honourable members wish to see that state of things perpetuated in New Zealand? Sir, members of this House-and those outside it as well-should take their hats off to labour. It is to labour that we owe all the wealth we possess-it is through the workers that we live. and move, and have our being. Sir, I desire

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before I sit down to quote a short passage from a work by Mr. Hyndman for the benefit of the honourable member for Patea-a passage which points out that in Britain many a land-owner is positively ignorant of the fact that he himself is but a pensioner upon the labour of the ill-fed agricultural labourer who humbly



touches his cap to him at the park gates. The passage is as follows Mr. SPEAKER .- Time is up. Mr. LETHBRIDGE (Rangitikei) .- Sir, the honourable gentleman who has just sat down, when he started his speech, led us to believe that he was going to give us something extra good. But all that he gave us was the same old tables to which we have been accustomed about directly interest-earning loans and those that are not directly interest-earning, and he gave us a disquisition on money. He takes an opposite opinion from most of us when he argues that a small birth-rate is the best for the country. The honourable gentleman also told us that the State should go in for a State note-circulation. Well, as far as I can see, the State now gets as much as it should get out of the banks' note-circulation. It gets 2½ per cent. on the circulation of the bank, and it would cost the State another ½ per cent. to print and procure notes for circulation ; so that we have practically 3 per cent. interest on the notes the banks have in circulation. Now, I do not intend to criticize the Statement. because it has been thoughtfully done by several members on both sides of the House ; and probably if I were to go into a lot of figures I might, instead of assisting the people to understand the financial state of the country, only succeed in befogging them more than they are at present. I could not help noticing that the method adopted by several thoughtful members on the Government side of the House in criticizing the Budget has been similar to the method adopted by members on this side of the House for several years past. We have said, in effect, that the cost of administration was increasing at a greater ratio than was the population of the country. I am not referring to borrowed money, because I say that borrowed money properly spent on railways and roads is not to be complained of, nor do we complain of it. I shall have, however, a few words to say later on as to whether the money has been properly spent. Now, as to the causes of the continued prosperity of the country, the country has been prosperous -no one denies it-but some of us say it is in spite of the Government, and although it has been prosperous we may see occurring again what we have seen in the past. We have seen times of prosperity, when the Government officials and their salaries have been increased considerably ; and then a time of depression comes, and something like a panic takes place. The country then demands that the estimates shall be reduced, and that Government employes should be sent right and left out of the public service. Then, the very fact of these people being " sacked " at such a time only goes to increase the depression in the country, because they are immediately thrown into competition with those in the country who are looking for work. Sir, we have seen that happen in the past, and if we are not careful it will come upon us again. Now, some honourable members have said that they see signs of depression already. Let us see if there are not signs of depression and panic. Is not wool, our principal staple product, lower than it has been for the past thirty years? It has fallen from 8½d. a pound to 4½d. a pound, which is practically a reduction of 50 per cent. ; and if our income from wool, which amounts to something like five millions a year, is to be reduced by half, then the spending-power of the people must be reduced, and the revenue must fall in consequence. Butter now is fetching a good price, and we hope it will continue to do so. But what are the indications? We hear that Russia is starting to supply butter, and can supply it in England at 74d. per pound, and when we recognise the immense amount of country and everything that Russia has in its favour - a short passage to England-it will be seen that they can produce it, as I say, at a very much lower rate than we can, and that will tend towards cutting us out of the market. The Argentine is doing the same thing. Canada is increasing its output wonderfully. I do not say it will mean that we are going to get a less price for our butter, but, still, it should warn us that we cannot always expect to get these high prices for our produce; and when once the price of butter comes down the whole of the system under which the Government is acquiring land for settlements breaks down. The people placed on the high-priced land will have to leave their holdings, and the present high prices of land cannot continue. And, then, where comes the honourable gentleman's table of the direct interest-producing money ? The honourable member for Ashburton gave us an amusing history of the Farmers' Union-its start and progress in the North and in the South Island. He said

it had even taken root in Ashburton. I think I can give some of the reasons why this thriving institution has taken root in the colony. One of the reasons, I think, is the valuations. There are valuers traversing the colony the whole time. If those valuers see a man improving his property by putting in a post, or putting up a stockyard, they immediately revalue the property, and increase the value. In our district, at any rate, that has been the fact. The valuer comes round and increases the value of the property at once; and the funny thing is that, although he watches the improvements made, he puts the increased value on the unimproved value only. The Premier states that something like eight millions has been added to the improved value and £6,375,000 has been added to the unimproved value of land. If this Valuation Department were not such a serious thing to the farmer this paragraph would be a screaming farce. I will read it :- " A careful revision of the land-values of the colony is now in progress, but it will take some time yet to complete this work. The result so

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£8,390,000, and of the unimproved value of £6,375,000. The gain to the land-tax revenue this year I estimate at £10,000, and I see no reason, notwithstanding the unfortunately low price of wool, why the land-tax should not increase year by year in sympathy with other heads of revenue until, at all events, the whole revision of the valuations has been completed." In one-third of the colony the valuations have been completed. The unimproved values in that one-third have been, I think, raised £3 an acre. The settlers in those districts are paying on that high value, whilst the others are not, and I venture to prophesy that by the time these valuers value the other districts the values of land will have dropped, so that the values will remain as at present. In the meantime, I am afraid that the Wellington District is included in the one-third where the values are raised, and, unfortunately, they are paying on the unimproved value something like £3 extra compared with what people in some other districts are paying. Can you make any other deduction from that paragraph in the Financial Statement ? That is one of the reasons why the Farmers' Union has taken root in the country. The valuation in the first place, as has already been said by some honourable members, was the worst valuation ever made in the colony. I will give the House an instance of how valuers were appointed in my district. This is a fact : There were two gentlemen who put in a tender to value a road district near where I live, their tender being \$250 for the whole of the work. A gentleman was sent from the central Valuation Department in Wellington to the district. He asked a gentleman of the "right colour," " Whom am I to appoint to do this valuation ?" The gentleman named two persons who had for some years acted as valuers in the district for local bodies ; they were really the best who could be obtained for the work. The Wellington official said, "I do not think they have made application." "Oh, yes, they have," said his friend. It was found they had made application, and the two gentlemen were then interviewed, and the Valuer-General said to them, "I cannot give you the whole of the block, but what will you do the half of it for?" They went out and consulted together, and, returning to him, they said, "We will do it for \$200." Now, honourable members will remember they had offered to do the whole lot for \$250. They considered they would not go to any more trouble over it, and that they would do the half for \$200, and they were accepted. They therefore got much less than half, for which they were paid \$200, while they were willing to do the whole of it for \$250. That was the way the valuers were appointed, and the whole valuation was badly carried out. The district valuer has been worrying my district ever since, and I say that is one of the reasons why the Farmers' Union has taken such a deep root in the country. The local bodies, of course, have had to pay for the bad valuation. Now, I want to give another reason why the Farmers' Union has taken a Mr. Lethbridge Dunedin City (Mr. Barclay) says we are setting class against class. Well, that is a thing I deprecate entirely. I do not wish to do it; and I may say I am not against all the labour legislation that has been passed. Some of it is useful; and I am glad to hear some of the Government members and some of the best friends of the Government advising the Go-

vernment to "go slow" in the future. I know that the farmers look with a certain amount of suspicion on labour unions, and I think they do so with some reason. One reason is this : A farmer goes into a saddler's shop and buys a saddle, or a set of harness. He says, " You are charging me a good deal more than I got this for last year. Why is it ? You do not give any higher price for the leather." Whether the saddler is right or wrong, he says, "The labour legislation causes us to pay higher rates of wages ; our workmen will not work so long ; and we are put to expense in going to the Conciliation and Arbitration Boards. We have, therefore, to raise the price of the harness." Those, Sir, are some of the reasons why the farmers look with some suspicion on the labour unions. I will mention another reason. The honourable gentleman will remember that at one sitting of the Conciliation and Arbitration Board-in Christchurch, I think it was-a tanner said that if any more restrictions were placed on business, or if the hours of labour were still further shortened, they simply could not carry on their business, as it would not pay them to do so, and they would have therefore to clear out. The person representing the labour interests then said, "The thing is very simple; it is in your own hands." He then said, " What can be done? You will have to give so much less to the farmer for the hides." That being so, do you not think that the farmers have some reason for looking with a degree of suspicion on this labour legislation ? That is another reason why the Farmers' Union has taken root in the country. I said that I did not object to the borrowing of money if it is well spent. I have had many a growl over the North Island Trunk Railway, and I think I will have another little growl to-night. During last session the Minister for Public Works told us that the Makohine Viaduct would be finished by October of this year, and I am rather inclined to think that he led me into making one or two bets, which I suppose I shall have to pay and look pleasant. I am now told that it will be finished by October of next year. I think that that is possible. The Minister has further informed us that the North Island Trunk Railway will be finished in another three years. Last session he told us the work would take another four years, and he now tells us that it is to be finished in three years. Now, we were informed that the Makohine Viaduct would be finished in twelve months from last session. We now find that the actual time will be two years ; and if the North Island Trunk line is, according to the Minister, to be finished in four years, I suppose the actual time will be eight years. I do not know

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I say I really do not think it matters much if Mr. Flatman, say the other day that he it does take eight years. My reason for saying thought the railway from Springfield to Otira this is that if it is carried on as it has been in should be stopped. I understand there is a the past the colony will not get value for the tunnel there that is to cost a million and a money spent. I do not object to co-operative quarter. workers, for the men are paid for what they actually do. I believe that we have some workers on the North Island Trunk line who from Otira to Springfield, and I am told it is to make only 43. 6d. a day ; and no one will say cost a million and a quarter, and when it is that that is a large wage. Whichever side I finished the country between the tunnel and take I believe in stating the case fairly. I Springfield is simply useless. It will be good should not like honourable members to think that I am one-sided, and I do not wish to make statements that I cannot bear out, scandalous waste of money, to carry this on. I am sorry I cannot speak of the Otago Central but I believe there are some workers there who do not make more than 4s. 6d. per day. from personal observation, but I remember the But what I maintain is that we should not late Sir John McKenzie said it was useless to go further than where the railway takes the carry this railway any further-that it was going material for its construction. We have got to the Makohine Viaduct, and we have been economy in this way, and stop these unproduc- there for several years, and we have the formation completed twenty-six miles beyond. I am not an engineer, but I think the cost has roads and bridges. I think, in the past the been twice as much as it would have been had we had the railway there to take the There has been too much patchwork. Too material on as the line proceeded. Mr. HALL-JONES .- It has

cost more of course, but certainly not double. Mr. LETHBRIDGE .- Well, I think it has cost nearly double, and it has put the settlers there to great inconvenience. They cannot even now ride down the main road. as the money will go. In the past we have Mr. HALL-JONES. - It has been like that every year. Mr. LETHBRIDGE .- It has never been so small bit in another, and by the time one bad as this year, and from Taihape to Paengaroa to carry on the railway-work they have had to have been lost. I think the settlers in the hitch two rails to horses and sledge them along the road. That means that the whole road is destroyed this winter. I hope to see a sub- my district I have two or three counties, substantial sum on the estimates from the Minister for Public Works to assist them to put that or £50,000 under this Act. They have made road in something like repair. I say, really, if and metalled nearly all their roads, and have the railway is completed to the timber on each only a few bridges yet to construct; and that side, so that the timber may be sent to Auckland is where the Government help should come in. land, and brought down to the West Coast, Let the settlers in decent country-in some that is all we require for some years. I am glad, Sir, that the Premier in his Budget says and very hilly country it is impossible for a few that he is going to draw in, in respect to the settlers to borrow sufficient to make roads - expenditure on district railways. He says, - with they should be taught the benefits of this "In respect to the expenditure on several classes of public works, district railways, and Act, and in the matter of bridges alone the Government should assist them. I am pleased especially buildings and works which are more the Minister of Lands has seen fit to hand a matter of convenience than of necessity, prudence demands that there should be a reduction a great deal of the money voted over to the Government in the expenditure thereon, especially local bodies. I know some of my friends object to handing the money over to local authorities, seeing that our population is so slowly increasing as they say local authorities let contracts and increasing, for it should be borne in mind that the increased ratio of population is much below the work is done too cheaply. There might that of the increased ordinary expenditure. have been something in this when work For every million borrowed and expended on was hard to get, but under present circumstances I say the money is better handed over non-revenue-producing works and objects and to local authorities. In my district the local annual charge of about 10d. a head is entailed authorities cut the work up into small contracts upon every European man, woman, and child in the colony." tracts, and let these contracts to the settlers. I am glad to see that, because I think that The settlers have done well out of the contracts, which have been well carried out; and the these main trunk railways should be finished, and the district railways could wait. I was settlers have their roads, which they are proud of. VOL. CXVIII .- 14 Mr. HALL-JONES .- Nothing like it. Mr. LETHBRIDGE. - It is seven miles long, for scenery; but cattle or sheep will not live on scenery. I think it would be a pity, and a into a desert. I hope the Government will use five works at once. Now, money has not only been borrowed for railways, but for making money has been misspent in making roads. many tracks have been made which are really useless. The late Minister of Lands, of course, owing to illness, could not attend personally to his department; but I think the present Minister will adopt a better system, and start from where the roads are good and make them good as far as been proceeding in this way : A small bit has been done in one corner of the district and a bit has been finished the bit formerly done back districts should be taught the benefits of the Loans to Local Bodies Act. In which have borrowed something like £40,000 country they cannot do so- in papa country but where they have ordinary country to deal

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of, because they have made them and paid for them themselves. I think I need not detain the House any longer. I think I have shown that we are not against borrowing money if the money is properly spent. I have tried to teach the Minister for Public Works how to spend his money properly on railways. I shall have much pleasure in helping the Minister of Lands to spend any votes he may think fit to give my

district for roads, and I am sure if he will take the advice of some of the settlers as to how the money is to be spent he will have it spent to better advantage than he will if he only takes the advice of his own officers. I forgot to say, in reference to spending money for roads, that too much money is spent on overseers. A small vote is given for a particular part of a district, and a few men are put on to do the work, but they have a man to overlook them, and there is an engineer sometimes to overlook him. That is where the money goes; and I say if a local body have the spending of it they have their own engineer, and he looks after the work without any extra cost to the Road Board or the Government. I thank honourable members for so patiently listening to me struggling through these few remarks. Debate adjourned. The House adjourned at three minutes past twelve o'clock a.m. #