

# FINANCIAL DEBATE.

*SPEECH delivered in the House of Representatives by the Hon. GEO. FOWLDS, Minister of Education, on Tuesday, 26th July, 1910. (Reprinted from "Hansard.")*

The Hon. Mr. FOWLDS (Minister of Education).—We have listened to the usual tale of woe from the honourable member for Bruce. He has drawn a picture of darkness and blackness as being characteristic of everything done or attempted to be done by the Government. The inference to be drawn from the honourable gentleman's speech is this: that the country is rapidly rushing to destruction under the control of the present Government, and that nothing can possibly save it except that he and his friends should replace the Government on these benches. Well, now, it may be possible that the day is coming—and it may not be so very far off—when some other Government may replace the members of the present Government; but let me say emphatically that when the day comes for the Government to be replaced it will be by a more Radical one than the one that now occupies the Treasury benches. When it is replaced it will be by a Government prepared to stake its very existence in carrying out some of those fundamental and far-reaching reforms that the Opposition stand primarily to prevent being made law. There is not the slightest chance of the government of this country being handed over to the Jeremiahs and the Tammany bosses of the Opposition—not the slightest.

Mr. MASSEY.—I want to ask you, Mr. Speaker, whether that is a proper expression to use to members of this House: "Tammany bosses on the Opposition side of the House"?

The Hon. Mr. FOWLDS.—Mr. Speaker, I will repeat the statement I made, so that you may hear it and be able to decide impartially. I said, "There is not the slightest chance of the government of this country being handed over to the Jeremiahs and the Tammany bosses of the Opposition." I stopped there. The Tammany bosses may be outside of the House altogether.

Mr. SPEAKER.—I think the expression "Tammany bosses" is an expression that is understood to mean something which should not be applied by one honourable gentleman towards another, and I think the Hon. the Minister ought to withdraw it.

The Hon. Mr. FOWLDS.—I will gladly withdraw it. I took the words from the report of a speech delivered by the leader of the Opposition, and before I have finished to-night I want to comment very strongly on the accusation of Tammanyism made by the leader of the

Opposition against the Government. Will I be in order, Sir, when I come to that point, in using the word "Tammanyism" in refuting the charge of the leader of the Opposition?

Mr. SPEAKER.—Certainly.

The Hon. Mr. FOWLDS.—That clears the way. I used the word expressly for the purpose of giving the leader of the Opposition an opportunity of condemning it, so that I can deal effectively with the matter when I come to that part of my speech. The honourable member for Bruce in his speech made what I consider a very serious charge. He said that the late Minister of Lands, Mr. McNab, had been sacrificed by the Government in connection with the Land Bill of 1907—the land policy which he was forced to adopt. I do not know what was meant by the word "sacrificed" used in that connection. Was there an implication that the Government had done something to secure the defeat of Mr. McNab, or in what particular way did the Government sacrifice their colleague? I know that Mr. McNab was sacrificed to the public life of this country for the present Parliament by the misrepresentations of the honourable gentlemen who sit on the opposite side of the House, and their friends and organizers throughout the country.

An Hon. MEMBER.—Not at all.

The Hon. Mr. FOWLDS.—It was misrepresentation with regard to the dairy regulations and other similar matters that was the main factor in securing the defeat of our colleague, and I am sure there was not a single member of the Ministry who did not deeply regret Mr. McNab's defeat on that occasion. All of us would have done everything in our power to have secured his presence and his continuance as a colleague on the Government benches. I want to repudiate entirely the suggestion that any members of the Government as it then existed had anything to do in the matter of sacrificing their colleague Mr. McNab. The honourable member for Bruce went on to picture the heterogeneous character, I think he said, of the Ministry, and tried to show how impossible it was for the members of the Ministry to work together. One of his illustrations was, "There on one bench is sitting a single-taxer, and there on another bench is a freeholder." The honourable gentleman has on frequent occasions—generally when he has had an opportunity of speaking after me in debate,

and last session he came after me on two occasions—made misrepresentations regarding the views I hold and the effect they would be likely to have. I do not know that the honourable gentleman knows very much about the principles that I am supposed to stand for, but if he does he ought to know that there is not the slightest incongruity in the fact of a single-taxer and a freeholder sitting and working together harmoniously. As a matter of fact, a single-taxer must have a freehold system of tenure in order to carry out his ideas; so that the honourable gentleman, in trying to create an appearance of division in that respect, was evidently talking entirely without the book. But are the gentlemen who sit on the Opposition benches so entirely of one mind, are they so harmonious in their ideas, that if by any chance they were called upon to undertake the government of this country they would be able to pull together? Why, only a few weeks ago, when the report of Lord Kitchener, who had visited this country, came in, the leader of the Opposition at once declared against giving effect to a portion of that report, whilst his colleague the member for Bruce intimated that he was prepared to go on the platforms throughout the Dominion and assist the Prime Minister in putting the recommendations contained in that report into operation in their entirety.

Mr. MASSEY.—That is only a detail.

The Hon. Mr. FOWLDS.—“That is only a detail.” The member for Bruce does not think so. I may further remind honourable members of the fact that another colleague sitting behind the leader of the Opposition made use of very strong expressions of approval regarding the presentation of the Dreadnought—not only of the gift of the vessel, but of the manner and the time of giving of the Dreadnought. The leader of the Opposition has denounced that in this House, and on every platform on which he has spoken throughout New Zealand.

Mr. MASSEY.—Denounced what?

The Hon. Mr. FOWLDS.—Denounced the manner and the time of giving the Dreadnought. His colleague approved of it, saying that the manner was right and the time was opportune. They want to be able to show more agreement amongst themselves before they begin to cast stones against those who sit on the Government benches. So far, the Government has been able to present a sufficiently solid and united front to the people of this country to leave the honourable gentleman's party in a very small minority both in the House and in the country. The honourable gentleman went on to make some remarks with reference to the diabolical kind of confiscation that was proposed in connection with the single tax. In those remarks he showed that he does not know the fundamental principle on which the single tax is based. But I am willing to go down some time to his constituency and discuss the matter with him there. I am prepared to show that every small farmer in this country, if the single-tax proposals I have advocated were adopted, would pay a great deal less in taxation than they pay at the present time under the present system of taxation.

Mr. MASSEY.—What do you think of that?

The Hon. Mr. FOWLDS.—Think of what?

Mr. MASSEY.—I was asking the Minister of Agriculture what he thinks of that.

The Hon. Mr. FOWLDS.—I think the honourable gentleman had the opportunity of speaking for an hour, and he need not interrupt me in that manner. He is very touchy sometimes when other honourable members make remarks when he is speaking. I only want to say, in passing, that it is the policy of members of the Opposition to do their best to persuade people that any one who attempts to tax land-values is necessarily an enemy to the small settler; but there is not the slightest difficulty in showing that if the great majority of the people employed upon the land had all other taxes removed, and nothing but a tax on land-values to pay, they would pay only from a quarter to a half of the amount they are paying in taxation to-day; and it is only necessary that these facts should be put before the settlers in the country districts to enable them to judge really as to who are the true friends of the settler. Then the honourable gentleman went on to condemn the Government of being guilty of discouraging settlement, and tried to show that members of the Opposition had not been opposed to the land-for-settlements scheme when it was first introduced. I am always delighted to see evidence of the growth, development, and progress of honourable members on the Opposition benches, and I am very glad to say that during the years I have been in the House I have seen very considerable progress made in the education of those honourable gentlemen. Their education is still a very long way from being completed; but we have moved them tremendously from the position they occupied at the time I came into the House, and still further by comparison with the position they occupied at the time of Mr. Ballance, and the passing of the Land for Settlements Act and the Advances to Settlers Act. But they do not realize how far they have moved, and they are always prepared to deny statements made by them at that time. It is only a matter of turning up *Hansard* and proving them to the hilt. We heard the other night the complaint of the leader of the Opposition about falsehoods circulated throughout the country at the last election, and his most emphatic denial of the statement that he had been in favour of limiting the amount of the advances to settlers to £250 in each case; and to-night the Prime Minister read from the honourable gentleman's speech in *Hansard* the exact statement which he had characterized as a falsehood and was called to order by the Speaker for so doing. The member for Bruce has been talking to-night as if he was just dying to get on to the Treasury benches so that he could secure the extension of the system of closer settlement for the people of this country. Well, just for a few minutes let us review the attitude of the honourable gentleman in connection with the Land for Settlements Bill when it was before the House in 1894. On page 7 of *Hansard*, Volume 85, you will find that Captain Russell moved the addition of the following subclause to clause 6 of the Bill:—

"Where an owner of land has children born in lawful wedlock, the areas limited by subsections one and two hereof shall be increased as follows—that is to say: Of first-class land, an additional area of five hundred acres for each such child."

Suppose the owner had five children: he and the children would, if that subclause had been agreed to, have had the right to retain 3,500 acres of first-class land in one block.

"Of second-class land, an additional area of one thousand acres for each such child; and of pastoral land, an additional area of two thousand acres for each such child."

That is in addition to the two thousand and the five thousand acres respectively which the Bill provided that the owner was to retain. The following voted in favour of that:—

Allen	Maslin	Thompson
Buchanan	Massey	Wilson.
Crowther	McGuire	Tellers.
Heke	Russell, W. R.	Fraser
Kelly, W.	Stout	Green.
Lang		

That is the kind of close settlement these gentlemen would have: 3,000 acres of first-class land, 6,000 acres of second-class land, and 12,000 acres of pastoral land.

Mr. ALLEN.—For a man and his children.

The Hon. Mr. FOWLDS.—The honourable gentleman need not interject. I have indicated quite clearly that each member of the family got that additional amount. Then we come to another question, where Mr. H. D. Bell wanted to secure that any man with a partner could get an additional amount. He moved the addition of the following subsection to clause 6:—

"When two or more persons are joint tenants, or tenants in common, of land in equal shares, such persons shall be allowed to retain twice the area prescribed in subsection two hereof," &c.

Amongst the tellers in favour of Mr. Bell's motion is Mr. Allen. Then, again, when it came to the question of the amount of money that was to be made available for carrying on the work of land-settlement, Mr. Earnshaw moved to strike out the word "two" in the amount two hundred and fifty thousand pounds, with the view of inserting the word "one" in lieu thereof, so as to limit the amount to be borrowed in any one year to £150,000. The Committee divided on the question that the word "two" stand part of the clause, and leading the list again is Mr. Allen, amongst the Noes, voting in favour of limiting the amount to £150,000 per annum for land-settlement purposes. And then I have a very strong impression that I heard the honourable gentleman to-night interject, when the Prime Minister was speaking, that he had advocated the Land for Settlements Act.

Mr. ALLEN.—The second reading, yes.

The Hon. Mr. FOWLDS.—On page 95 of the *Hansard* I have quoted from it will be found that the House divided on the question, "That the words 'be now read a third time' stand part of the question," and amongst those who are paired against it is Mr. Allen. I do not think that is a very satisfactory record, or a record that would show that the honourable

gentleman and his friends had been the authors and supporters of this policy of closer settlement. The honourable gentleman complained that the Prime Minister had made no mention of his views on the question of option, or of his attitude to the various tenures; but that matter is to be dealt with in a Bill this session. He also stated that the no-confidence motion of the leader of the Opposition was entirely on the question of land-tenure. Well, I think the Prime Minister made the position perfectly clear in that respect—that it was quite impossible in the course of a short reply to the leader of the Opposition to lay down the principles that were to be embodied in the Land Bill. The Land Bill was promised in the Speech from the Throne, and when the proper time comes the full details of the land proposals of the Government will be stated. The honourable gentleman is always, in the House and out of the House, claiming credit for nearly everything that turns out to be popular. A few minutes ago he claimed credit for the putting on the statute-book of the Land for Settlements Act, the record in connection with which I have just read. He also claimed to-night that he, or the Opposition, is responsible for any progress that has been made in the settlement of Native land and in the settlement of land generally. He asked, "Who was it that spurred the Government on in connection with the opening of Native lands?" And the answer, of course, was, "The Opposition." Later on he claimed that he had been spurring them on to do what was necessary to put the superannuation funds on a better financial basis. At Milton he went largely on the same lines, but he let a little cat out of the bag there, which I wish to refer to. He was referring to the graduated land-tax, and, according to the report published by the *New Zealand Times* of the 24th May last, he said,—

"With regard to the graduated land-tax, the Prime Minister had had to back down over the remarks he had made about Mr. Massey. He showed no generosity to those of the Opposition who got him out of his difficulty with regard to his Land Bill by suggesting, as they did, that the graduated land-tax was the proper means of compelling the large estates to be divided up, with the result, so far as they personally were concerned, that large landowners who had been supporters of theirs dropped them altogether."

I took particular pains to give the Opposition credit for the suggestion whenever I spoke, after the suggestion had been made. I admit that it was made. It was made by the honourable member for Tauranga and by the leader of the Opposition, and I took every opportunity in my own constituency and wherever I was speaking to give those honourable gentlemen credit for having made this suggestion. But I did not get any thanks for having given credit to the leader of the Opposition. Wherever he went he tried to make out that one evidence of the total depravity of the members of the Government was shown in their suggesting that he had ever been in favour of such an idea. Now I understand the touchiness of the leader of the Opposition in refusing to take the credit

I was so generously wishing to bestow upon him. At that particular time those large landowners who had been supporters of theirs were putting on the screw with reference to the financial support of the Opposition organization. I can understand the attempt of the leader of the Opposition to hedge a little bit, but I am somewhat surprised at the indiscretion of his lieutenant in letting the cat out of the bag. I think I ought to take credit for making it clear to the country that those honourable gentlemen had made that wise suggestion, and that the Government, recognizing its wisdom, had accepted it. However, the point is clear that they did not get very much gratitude from those who were usually on their side. They were "dropped" altogether, as the honourable member for Bruce has said; and that, by the way, may explain something of the progress the honourable gentlemen have been making in the last year or so. Since they have been dropped altogether by some of the large landowners they may have exhibited some anxiety to be associated with progressive legislation, as he did to-night. The honourable gentleman, in the speech referred to, took credit to himself for a great many things that have been done, and amongst them was the improvement of the superannuation funds. To hear him talking, one would think that no one but himself had ever made a suggestion of a contribution to the superannuation funds. Why, Mr. McNab, Mr. Millar, and I were just as emphatic in our advocacy of an annual contribution being paid into those funds as he was, and since we have been in the Ministry the thing has been done. In the same way we hear the leader of the Opposition claiming credit for the little amendment he tried to get inserted in the Advances to Settlers Act, about including the workers, as entirely an original idea of his own. Why, the honourable gentleman tried in the first place to discredit the whole advances-to-settlers scheme by saying that he was inclined to think that a great many losses would be made where leaseholders and Crown tenants were concerned, and that we ought to draw a line at a State pawnshop. Then he tried to damage it by attempting to limit the amount that might be advanced in any one case to £250; and then he opposed the inclusion of urban and suburban lands in the Bill. Now, in the course of years, he finds that the people have approved of the measure and are reaping great benefits from it, and he finds that members of the Liberal party are again advocating the extension of the benefits of the Act to urban and suburban land that he had successfully done his best to exclude from the Bill originally. Then by a little manoeuvring he got an amendment moved when another amending Bill was going through Committee—an amendment which, as far as he was concerned, would undoubtedly have had the effect of limiting and reducing the amount available each year for advances to the country settlers.

An Hon. MEMBER.—Not at all.

The Hon. Mr. FOWLDS.—Absolutely, as far as the honourable member was concerned. The only effect of his motion, if it had been carried,

would have been to reduce the amount available each year for advancement to country settlers. The Government naturally at that time resisted his proposal, and decided to stick to its legislation and provide a complete scheme to enable the workers wanting houses on urban and suburban lands to get the benefits of cheap money, which the leader of the Opposition had helped to prevent them from getting when the original measure was passing through the House. Then, the honourable gentleman condemned the State-guaranteed Advances Department, particularly in its bearing upon small local bodies. Now, this fact the honourable gentleman cannot get away from: that even the small local bodies are in a much better position under the new Act than they were in under the old, to this extent: that they can get their wants supplied in a way that many of them could not get under the Loans to Local Bodies Act, free from restrictions regarding the amount to be advanced in any one year, restrictions which it was absolutely necessary to have under the old Act. The new Act removes the previous limitation, and enables them to get larger sums of money that they may require for carrying out important works at a very low rate of interest, with the guarantee of the Dominion behind them, and with a small sinking fund extending over a large number of years. The amendments to be submitted this year will result in putting the local bodies in a still better position. The member for Bruce complained that the Prime Minister had never made any statement regarding the sinking fund required under the Act. As a matter of fact, the provision is in the Bill itself. No attempt has ever been made to obscure the fact that in addition to the small rate of interest—3½ per cent., or lower if the money is borrowed at a lower rate—that in addition to that interest there would be a sinking fund to enable the loan to be paid off at a given date. When the Bill was passing through the House, and on other occasions since, the Prime Minister fully stated the terms, including the sinking fund.

Mr. ALLEN.—I was referring to the Prime Minister's speech to the country at Winton and other places.

The Hon. Mr. FOWLDS.—I have not time to go into the Winton speech at present. The honourable member came to the question of retrenchment, and he, like the honourable member for Wellington North, contends that one of the things wanting is a list of the officers who have been retrenched. That has been dealt with several times already in the House this session. I am sure most people will admit that it would be a wrong thing to publish to the world a list of the names of those who have been retrenched. Honourable members opposite say that no retrenchment has taken place. The leader of the Opposition quoted figures, which were repeated by the member for Bruce, showing that in the permanent appropriations there was not only no decrease, but that there was an increase of £304,379. How can he expect us to go on borrowing money without the interest charges in the permanent appropriations increasing? He also said that

the decrease in the annual appropriations amounted to only £98,970, and he argued from this, forsooth, that the amount of the retrenchment must be within the limits of this £98,000. It is absolutely marvellous to find gentlemen in the position of the leader of the Opposition and the member for Bruce talking in that fashion. The member for Bruce made an appeal to me on the question of retrenchment in the Education Department—as to whether I could substantiate the amount that was quoted in the figures read out by the Prime Minister. I have given the figures before, and members will see the hollowness or absurdity of any arguments based on the actual amount of the appropriations or expenditure as to whether retrenchment has taken place or not. If no retrenchment had taken place in the Education Department the normal increase for the year—that is, the increase in the amount for salaries of teachers, partly caused by the increase under the Act of 1908 and partly by the increased average attendance of children, and in various other forms in which by a natural process the expenditure increases automatically—I say if no change at all had taken place the normal increase for the Education Department would have been £105,000 for the year—that is, the expenditure would have been £105,000 greater than it was the year before. By the way, I think every member of the Opposition has taken his fair share in criticizing and condemning the Government for having made these economies in this Department. But, notwithstanding the retrenchments made in the Education Department which have been so strongly condemned by honourable gentlemen on the Opposition benches, the net increased expenditure over that of the previous year was still very considerable, amounting to no less than £62,000. The honourable member for Bruce referred to the fact that we had so much revenue from endowments shown for the first time, and if we had not had that the increase of the Department would have been much greater than it was. So it would. If we had not had the benefit of the money from the endowments the total increase would, as I have stated, have been £62,000, and if we had not made any reduction by way of retrenchment it would have been £105,000. Yet he tried to make out that because the total expenditure under the Consolidated Fund was only £98,970 less than the year before, therefore there can have been no retrenchment beyond that amount. Here in the Education Department the expenditure was really £62,000 greater than that of the year before; therefore there was no retrenchment in the Education Department. So all the talk those honourable gentlemen have made about reduction of the grant to School Committees and the reduction in the library vote, &c., has been pure imagination. That must be the position if their method of arguing is sound. The same argument applies to the whole of the services of the State when taken together. The expenditure on the railways is naturally increasing year by year, and you might in the various branches of the Railway Department

effect retrenchment to the extent of £173,000, as given in the figures read by the Prime Minister, and yet the total expenditure in the Department might be half a million more than in the previous year. According to the arguments of the Opposition that would be proof that no reduction had taken place, because the total expenditure is greater. I hope I have made that point clear. Members on the Opposition side try to make out that not only has there been no retrenchment, but that there never was any intention to retrench, and to hear them talking you would think they were the economists that have been crying for a reduction of expenditure. What about retrenchment when the leader of the Opposition wants the Waiuku Railway, and the honourable member for Bruce wants the Lawrence-Roxburgh line extended? It is absolutely absurd for members to expect this continually growing expenditure and then cry out that the Government is extravagant and is borrowing too much money. It is impossible for those honourable gentlemen or the Government to eat their cake and keep it too. A few years ago I pointed out in a speech I made that I believed the deliberate policy of the Opposition on the platform and in the Press was to rush the Government into all kinds of expenditure in order to get it into difficulties. You hear Opposition members on the floor of the House, and you hear them addressing meetings outside, saying that the Government ought to do this and to do that—all, no doubt, things that are desirable, but things that would cost a large sum of money annually. And when the Government adopts some of these suggestions and expenditure goes up they never say, for instance, "Well, the Government have adopted an increased scale of pay for teachers, and therefore the education expenditure has gone up"; but they say, "The Government have increased the expenditure from £5,476,513 in one year to £5,575,453 the next year." No allowance is made for the expenditure which they themselves have been advocating, and which they have been trying to take credit for with the different sections of the community that have been benefited by it. During the years referred to by the leader of the Opposition and by the honourable member for Bruce, when the expenditure had increased at an average rate of £476,145 a year, we doubled our contribution to the navy. Would honourable gentlemen on the other side of the House condemn the Government for that? We increased the expenditure on teachers' salaries and the staffing of the schools by about £75,000. Would the honourable gentlemen say that was wrong? They will try to take the credit for everything that is done that is beneficial or popular, but when the expenditure increases as the inevitable result of these actions they blame the Government for doing the very thing which they take so much credit for. In the list of reasons why the honourable member for Bruce has no confidence in the Government you heard him including "heaping up the public debt," and just a few minutes before that he had laid down as one of the greatest

sins of the Government the fact that it had appropriated more money for public works year after year than it had expended. This is one of the annual objections we hear from the honourable member for Tauranga. We have not yet heard him in this debate, but before it finishes you will find this is one of his complaints: that though the Government have appropriated money they have not spent it. The member for Bruce conveniently forgets that if the Government had gone on increasing expenditure as he wanted them to do they could only do it by increasing borrowing and by a faster increase of the public debt. The honourable gentleman also had no confidence in the Government because it existed by patronage in the public service. In that connection it is rather interesting to remember that the only city in New Zealand where an Opposition candidate can get a look-in at all and have the smallest hopes of being elected to Parliament is in the City of Wellington.

Mr. ALLEN.—What about Dunedin?

The Hon. Mr. FOWLDS.—Oh, yes, I forgot you had one little stray lamb from Dunedin; but still, you know, he is not too sound on the Opposition goose. On a good many points he is as much in sympathy with the Government as with the Opposition. It is true he has so far voted pretty straight with the Opposition party, but I am sure he has often done it with considerable misgiving. Take that as the single exception outside the City of Wellington where the Opposition have got a look-in, and it is in Wellington where the Government have been exercising the greatest amount of this patronage. It is evident that it is not a good thing for the Government to have that patronage, and that the service which the Government has done so much for is not a factor in securing additional representation for the Government. Now, I wish to touch upon the question of local government and the building of schools. The leader of the Opposition was very emphatic on this question, saying that a great mistake is being made, and that he is in touch with the sentiment of the country, and that he never heard a suggestion that the Education Boards should be abolished. That is not the experience of a good many members in this House. Every session members are coming to me and complaining about the Education Boards, and saying, "Why not take the power to do it yourself?" I am not in favour of taking power to do it myself. I am not in favour of centralization. I am in favour of decentralization, and the proposal in the Budget is the most decentralizing proposal ever put before the House on the question of education. Sir, we have repeatedly heard the leader of the Opposition condemning the system of making grants for roads and bridges. He says the present system of making grants for roads and bridges is demoralizing to the people and to the Government. Now, what justification can you have for continuing a system of direct grants in the matter of education if it is a wrong principle in connection with roads and bridges? I have a deal of sympathy with the honourable gentleman in his condemnation of the system

of making grants for roads and bridges, and I say that in the matter of education there is no other way of providing for buildings except by direct grants, or by subsidy on local contributions or collections. Any automatic *per capita* contribution system would inflict great hardship on districts where settlement was proceeding rapidly. I believe the proposals made in that connection are a distinct improvement on the present system. The honourable gentleman went on to condemn the Government because they are doing away with Education Boards. Sir, the House has not the proposals of the Government in detail before it, and therefore the honourable gentleman was not in a position to condemn. I want to say that frequent appeals have been made in this House in favour of putting Education Boards on an elective basis—for the election of Education Boards by the people. That is one of the points involved in this proposal—members of Education Boards appointed by the Councils would directly represent the people—the divisional Committee—that would have control of educational matters within the district. They would be elected direct by the people, and therefore would be more in touch with the public than the members of Education Boards are at present. I have known members of Education Boards spend most of their time in electioneering for the Opposition. Their main function was to make good the claims of the Opposition candidates of the Dominion, and the condemnation of everything the Government say or do. What is now proposed goes in the direction of securing the election of Boards for controlling educational matters by the people themselves.

Mr. MASSEY.—Is that the reason you bring it down?

The Hon. Mr. FOWLDS.—That is one of the reasons. Before I finish with the member for Bruce I wish to refer to his concluding statement. He complained that the Government had at the end of the year more liabilities in connection with public works than they had money to meet. We have heard that statement made repeatedly by the honourable member. There can be no other motive in making it than to damage the credit of the country, and to prevent the country from getting the necessary money to meet its liabilities when they do become due. Let me tell the House that included in the liabilities that he says the Government have not money to meet are liabilities that cannot possibly become payable for several years to come. Why should the Government get money to meet those liabilities and hold it lying idle years before the expenditure can take place? The only motive in making such a statement is the one I have suggested, and in making it the honourable member is carrying out a suggestion the leader of the Opposition made in this House some years ago, and when I mention it those who heard him will remember the occasion. He made the statement that the country was rushing headlong to destruction with wild and extravagant expenditure and borrowing, and that if no other brake or screw was put on he hoped the money-

lenders would put on the screw. That was the hope of the leader of the Opposition, and that is the motive that underlies the making of this statement by his colleague to-night.

The Right Hon. Sir J. G. WARD.—The *Otago Daily Times*, which supports the Opposition side, condemns the member for Bruce for that.

The Hon. Mr. FOWLDS.—Yes. But I will have to pass on now, because I want to make a few remarks on a matter which I referred to at the opening of my speech. I was glad to see how quickly the leader of the Opposition rose and resented the use on my part of the expression "Tammany bosses," because it is a nasty term. I do not like it, and it was quite evident that the honourable gentleman knows the full content of its application in politics. The honourable gentleman talks very loudly in this House, and we get the same kind of matter from him year after year. But to get the leader of the Opposition at his best you want to follow him out into the backblocks, where he gets an audience of fifteen or twenty people, like the member for Waitarapa did—

Mr. MASSEY.—You bolted from Pukekohe, where there were only twenty present.

The Hon. Mr. FOWLDS.—That was a wet night. I will undertake to say that if the leader of the Opposition had spoken at Pukekohe on the night referred to there would have been nobody there at all. I do not suppose there would have been as many there on the night he refers to had it not been that some of the honourable gentleman's friends had come in from all over the district, and could not get out, it was so wet. They were determined to be there to vote against any motion in favour of land reform. However, I do not want to waste my time in dealing with the honourable gentleman's interjection, as I have something more important to deal with. I was saying that to get the leader of the Opposition at his best you must follow him out to one of these places in the country, and get him after a banquet when he feels bright and happy. One of these occasions happened at Taumarunui, as the honourable gentleman was on his way down at the beginning of the session. Perhaps it is not quite fair to hold the honourable gentleman responsible for what he says on such occasions, but we have to bear in mind that wherever the honourable gentleman goes he is followed up by the representatives of the Opposition Press—the free and independent Press—and the utterances of the honourable gentleman on these occasions are flashed over the wires and acquire a significance and prominence that they do not otherwise deserve. This is a report of what the leader of the Opposition said on this occasion. I am quoting from the report in the *New Zealand Herald* of the 27th June last, from its own correspondent:—

"Mr. Massey next dealt with the increase in death duties, income-tax, railway fares, bank-taxes, &c. He said that, of all the sixteen sessions which he had attended, there was none in which Tammanyism was so rife as in the last. President Kruger had adopted the same tactics, and it was for his audience to say whether they

would have a Kruger to administer their affairs.

"A voice: We'll have you."

It is quite clear the honourable gentleman knows the content and meaning of Tammanyism, and he applies it to the Government.

Mr. MASSEY.—I know it since I became acquainted with you.

The Hon. Mr. FOWLDS.—So the honourable gentleman says. What is Tammanyism? Tammanyism is the selling of your country or your town for personal advantage. I think it is quite probable that the honourable gentleman knows that much. Some of his progenitors, at any rate, knew something about it. You have in "The Irish Nation," by Barrington, a list of those who derived benefits from the transfer or sale of their country to Great Britain. Some of them took titles; some of them took places of profit under the Crown; but one, H. D. Massey, took £4,000 cash. It was not a question of titles with him. That is an illustration of the kind of thing that is included in the word "Tammanyism"—namely, the selling of your country or your town for some personal advantage. Such a statement as that made by a man in the responsible position of the leader of the Opposition is a shame and a disgrace to the public life of New Zealand. It is without foundation, and such accusations should not be made. I hurl back the charge of Tammanyism into the teeth of the honourable gentleman. I say that the charge lies more properly against him and his party than it does against the Government who occupy these benches. To make a speech of that kind in itself savours of the Tammany method. The misrepresentations that were made in connection with the dairy regulations at the last general election is Tammanyism. The carrying-out of a propaganda of that kind in order to secure for himself place and power is a kind of Tammanyism that the members of the present Government are not prepared to follow or adopt. I think I shall leave it there. I feel too strongly at such an accusation being made against the Government, and I defy the honourable gentleman to lay his hand on a single item that justifies the accusation of Tammanyism. Let me say this: that the people of this country know too well that the present Government stands for what is just and honest in administration. The people may disagree—some of them—with the legislative proposals of the Government, but I believe it is acknowledged and recognized throughout New Zealand that not in the lifetime of the present generation has there been a Government more free from any actions that would deserve the name of Tammanyism.

Mr. ALLEN (Bruce).—I want to make two personal explanations. The honourable gentleman accused me of quoting wrong figures in regard to liabilities. The figures I quoted are given in Table No. 6 of the Statement of this year, page 39. It is perfectly true that these figures include responsibilities in regard to the Midland Railway Tunnel. At the same time, there is no provision made for this responsibility. The honourable gentleman misrepresented me with regard to the Land for Settlements Act, and

he quoted a division in which he said I voted against the third reading of the Land for Settlements Act. The honourable gentleman has been misled by not more carefully reading the records. It was a division upon a motion by Mr. Bell to recommit the Bill that the honourable gentleman quoted, and not on the third reading of the Bill. You will find it on page 69, Volume 35, of *Hansard*. Mr. Bell said, "I desire, therefore, to move the recommitment of sections 10, 11, and 14," and in explanation he made the following remarks:—

"As I read this Bill it is open to the Minister to pledge the whole of the five years' instalments in the first year: and if this Bill passes, as I read it, the Minister might within a month after the passing of this Act pledge the colony to the whole amount of one and a quarter millions."

A little later on he says, "My point is this: I believe the Act is so worded as to place us absolutely at the mercy of the Minister." Then the division was taken on the question to recommit the Bill, and the question was put in this way: "That the words 'be now read a third time' stand part of the question." Now, that is not a division on the third reading, but on the recommitment. With regard to the third reading, there was no division at all.

The Hon. Mr. FOWLDS.—Let me say, with regard to the honourable gentleman's statement about the liabilities, that I did not say he had misrepresented the figures. What I complained about was simply the use he made of the statement which included liabilities that could not possibly come to account for several years.

The Right Hon. Sir J. G. WARD.—And in connection with which there is power for cancellation of the contract by the Government. The contract might never be completed. We take the full vote for each year of liabilities, and that is the proper way.

The Hon. Mr. FOWLDS.—Well, the contracts might never be completed, and therefore would never become liabilities at all. With reference to the other point, I am sorry if I have misrepresented him, but the question as it was put fairly justified me in quoting it—that is to say, the House divided on the question, "That the words 'be now read a third time' stand part of the question."

Mr. ALLEN.—You must have known that that was not the division on the third reading.

The Hon. Mr. FOWLDS.—No; I took it as the third-reading division.

Mr. MASSEY.—There are just one or two points that I desire to put right, Sir. The

worst form of misrepresentation is this system of half-truths, which seems to have become very prevalent. Referring to my meeting at Taumarunui, the honourable gentleman made a statement that I was followed about the country by representatives of the Opposition Press. Well, just as it happened, there was a representative of the Press at Taumarunui when I was there. It was a particularly successful meeting, but the representative of the Press who was present was a representative of the *Auckland Star*, which is generally supposed to support the Government, and I must say he gave me a particularly good report.

The Hon. Mr. FOWLDS.—Was that the only representative of the Press present?

Mr. MASSEY.—Yes, excepting the representative of the little local paper. Apart from him there was no representative excepting the representative of the *Auckland Star*. Then, the honourable gentleman took exception to the statement about Tammany. I believe I did use the expression. I consider I was justified in using it, and I will show why. I used it in reference to the infamous division which took place last session on a motion moved by Mr. Wright, the member for Wellington South, when he proposed a motion to this effect: that in the opinion of this House Government money should be expended for the benefit of the country and not for the benefit of party. And the honourable gentleman gave his vote against that motion. If that was not Tammanyism, then I do not know the meaning of the term.

An Hon. MEMBER.—What was the proposal?

Mr. MASSEY.—It was with regard to newspaper advertising.

The Hon. Mr. FOWLDS.—I only want to say the report I quoted from was in the *Herald*, and the reports that appeared in the *Herald* and in the *Dominion* were considerably different from the one that appeared in the *Star*; so that, as far as that is concerned, it looked to me as if there were two hands in the reporting. I do not know where the honourable gentleman's complaint about half-truths comes in. There is no doubt at all that reporters were present, and reported, apparently, for two different kinds of papers. Now, with regard to the other matter, I am satisfied with the honourable gentleman's explanation and admission. If the worst case of Tammanyism he can bring against the Government is the fact that it refused to at once recognize a second Opposition paper in Wellington, and cause it to be added to the advertising-list and to get a full share of Government advertising, I think the country will be satisfied that they have a Government which they may well be proud of.