

1890.  
NEW ZEALAND.

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## REPORTING DEBATES AND PRINTING COMMITTEE

(REPORT OF THE) ON THE MANUSCRIPT REPORT AND PROOFS OF THE SPEECH OF  
THE HONOURABLE MEMBER FOR WAITOTARA, TOGETHER WITH MINUTES OF  
PROCEEDINGS AND APPENDIX.

*Report brought up 21st August, 1890, and ordered to be printed.*

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### ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

FRIDAY, THE 20TH DAY OF JUNE, 1890.

*Ordered*, "That a Committee, consisting of ten members, be appointed to assist Mr. Speaker in all matters which relate to the reporting of debates, and to the printing executed by order of this House, and for the purpose of selecting and arranging for printing returns and papers presented in pursuance of motions made by members of this House; three to be a quorum. The Committee to consist of Mr. Speaker, Mr. Feldwick, Mr. Lawry, Mr. Moss, Mr. O'Connor, Mr. W. P. Reeves, Mr. Saunders, Major Steward, Mr. Whyte, and the mover."—(Hon. Mr. HISLOP.)

WEDNESDAY, THE 13TH DAY OF AUGUST, 1890.

*Ordered*, "That the manuscript report and proof of the speech of the honourable member for Waitotara, made on the 2nd July, 1890, containing accusations against the Government, be referred to the Reporting Debates Committee for comparison with the *Hansard* report."—(Hon. Mr. HISLOP.)

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## REPORT.

THE Reporting Debates and Printing Committee has the honour to report that, under the order of reference of the 13th day of August, 1890, relating to the speech delivered by the honourable member for Waitotara on the 2nd July, 1890, the Committee has made the examination directed, and finds that the greater part of the alterations made by Mr. Hutchison were merely literary corrections; and that, as regards the remainder, the charges made against the Government were not materially altered thereby.

21st August, 1890.

WILLIAM J. STEWARD,  
Chairman.

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## MINUTES OF PROCEEDINGS.

THURSDAY, 14TH AUGUST, 1890.

The Committee met at 11 a.m.

*Present*: Major Steward (Chairman), Mr. Feldwick, Hon. Mr. Hislop, Mr. Lawry, Mr. Moss, Mr. O'Connor, Mr. Reeves, and Mr. Saunders.

The minutes of the previous meeting were read and confirmed.

The Clerk then read the order of reference of the 13th August.

The Chairman stated that the motion to refer the manuscript report and proofs of Mr. Hutchison's speech to this Committee was carried late on Tuesday night, and he had lost no time in calling a meeting of the Committee. A similar case had arisen in 1877, when the proofs of Mr. Ormond's speech were referred to the Reporting Debates Committee of that session. The Chairman read the report from *Hansard* and Appendix to the Journals.

After a long discussion that the order of reference did not fully set forth what the Committee was empowered to do,—

Mr. Reeves moved, That the order of reference is insufficient, inasmuch as there is no direction to the Committee to report the result of their investigation.

Hon. Mr. Hislop moved, That the question be amended by the omission of all the words after the word "That," and the insertion of the following words in lieu thereof: "the Committee now proceed to compare the manuscript, proofs, and *Hansard* reports, and to call necessary witnesses, and that any further powers be thereafter asked for from the House."

And the question being put, That the words proposed to be omitted stand part of the question, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Mr. Reeves, Mr. Feldwick, Mr. Moss.

*Noes*, 4.—Hon. Mr. Hislop, Mr. Lawry, Mr. O'Connor, Mr. Saunders.

So it passed in the negative.

And the question being put, That the words proposed by the Hon. Mr. Hislop to be inserted, in lieu of the words struck out, be so inserted,—

Mr. O'Connor moved, That the words proposed to be inserted be amended by the omission of all the words after "witnesses," and the insertion of the following words in lieu thereof: "the Chairman be requested to apply to the House for further instructions."

And the question being put, That the words proposed to be omitted stand part of the question, the Committee divided, and the names were taken down as follow:—

*Ayes*, 2.—Hon. Mr. Hislop, Mr. Lawry.

*Noes*, 5.—Mr. Feldwick, Mr. Moss, Mr. O'Connor, Mr. Reeves, Mr. Saunders.

So it passed in the negative.

And the question being proposed, That the words proposed by Mr. O'Connor to be inserted be so inserted,—

Mr. Reeves moved, That the words proposed to be inserted be amended by the addition of the following words: "directing the Committee to report the evidence, documentary or other, which may be taken or produced before it."

And the question being put, That the words proposed to be added be so added, it was resolved in the affirmative.

And the question being put, That the words proposed to be inserted as amended be so inserted, the Committee divided, and the names were taken down as follow:—

*Ayes*, 5.—Mr. Feldwick, Mr. Moss, Mr. O'Connor, Mr. Reeves, Mr. Saunders.

*Noes*, 2.—Hon. Mr. Hislop, Mr. Lawry.

So it was resolved in the affirmative.

*Resolved*, That the Committee now proceed to compare the manuscript, proofs, and *Hansard* reports, and to call necessary witnesses, and that the Chairman be requested to apply to the House for further instructions directing the Committee to report the evidence, documentary or other, which may be taken or produced before it.

Mr. Barron, Chief Reporter, *Hansard* staff, was now called in. In answer to the Chairman, he stated he had received a letter from the Clerk of the Reporting Debates Committee asking him to attend and bring with him the transcript proofs and revises of Mr. Hutchison's speech of the 2nd July, 1890. He now produced and handed to the Chairman the transcript proofs and revises of Mr. Hutchison's speech of the 2nd July, 1890. He believed the proof to be the first proof, but the printer would be better able to say. The transcript bore some alterations.

The Committee then proceeded to examine the proofs, but were soon interrupted by the 1 o'clock adjournment.

On the motion of Mr. Reeves, it was resolved, That the transcript proofs and revises be handed to Mr. Barron for safe custody.

On the motion of Mr. O'Connor, it was resolved, That the Chairman be instructed to engage a clerk to write a copy of the transcript report of Mr. Hutchison's speech, showing erasures, alterations, and additions made thereto in red ink.

On the motion of Mr. O'Connor, it was resolved, That the Committee stand adjourned till tomorrow (Friday), the 15th instant, at 11 a.m.

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#### FRIDAY, 15TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Major Steward (Chairman), Mr. Feldwick, Hon. Mr. Hislop, Mr. Lawry, Mr. Moss, Mr. O'Connor, Mr. Reeves, Mr. Saunders.

The minutes of the previous meeting were read, but, owing to an omission, the confirming was postponed to the next meeting.

Mr. Barron, Chief Reporter, *Hansard* staff, was in attendance, and produced the transcript proofs and revises of Mr. Hutchison's speech of the 2nd July, 1890.

The Committee then proceeded with the examination of the proofs and revises, and completed the same. The Clerk then handed the Chairman that portion of the speech which had been copied from the transcript, showing alterations and additions in red ink, stating that, as the speech was a long one, he had found it impossible to finish it, but the balance would be ready by the next meeting.

The Committee then examined the transcript copy so far as made.

On the motion of Mr. Feldwick, it was resolved that the bringing up of the report of resolution, agreed to on the 14th instant, to the House be deferred.

The Committee then adjourned to 11 o'clock a.m. on Tuesday, the 19th instant. Subsequently the Chairman instructed the Clerk to call the Committee together at 10.30 a.m. on Tuesday, the 19th instant.

TUESDAY, 19TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Major Steward (Chairman), Mr. Feldwick, Hon. Mr. Hislop, Mr. Lawry, Mr. Moss, Mr. O'Connor, Mr. Reeves, Mr. Saunders.

The minutes of the two previous meetings were read and confirmed.

Mr. Barron, Chief Reporter, *Hansard* staff, was in attendance, and produced the transcript proofs and revises of Mr. Hutchison's speech of the 2nd July, 1890, which he handed to the Chairman.

The Clerk then handed the Chairman the balance of the copy of the transcript of Mr. Hutchison's speech, showing erasures, additions, and alterations in red ink, and the Committee proceeded to examine the same, and the examination of the same was completed.

The Chairman said that the position of the Committee stood thus: that they must either report to the House the resolution passed by the Committee on the 14th instant, or by resolution defer that report, or move to rescind the same, in order to enable the presentation of any further report which the Committee might agree to.

Mr. Hutchison, who had been present during the examination by the Committee of the transcript proofs and revises, asked that he might be allowed to say a few words in explanation.

The Committee having assented,—

Mr. Hutchison said he had nothing to add to what he had stated in the House, except to explain how he came to correct the transcript. On the day after the delivery of the speech he went to the Government Printing Office for the purpose of ascertaining when he could get the proof for correcting, as he intended to be absent from Wellington on the Saturday, Sunday, and Monday. Mr. Didsbury stated that it would probably be too late to correct it on Monday night, as the matter might be wanted for Tuesday's *Hansard*, and that he did not think the proofs could be ready for Friday. Mr. Didsbury found, on inquiry, that the printers had not begun to set up the copy, and it was arranged that he (Mr. Hutchison) might go over the transcript. The same day he received the transcript, which he considered somewhat rough and full of abbreviations, and, after going over it, and making a number of corrections, he decided not to leave but remain and see the proofs. This he intimated to Mr. Didsbury when returning the transcript. As to the alterations in the transcript and proof-sheets, they were only such as were required to make the *Hansard* report a correct report of his speech.

Mr. Hutchison then withdrew.

After considerable discussion as to the best mode of procedure, in which all the members of the Committee took part,—

Mr. Feldwick gave notice that he would move, at the next meeting of the Committee, That the resolution of the Committee of the 14th instant be rescinded.

Mr. Moss moved, That the Committee have carefully compared the original manuscript and proofs of the speech delivered by Mr. Hutchison, the member for Waitotara, on the 2nd July, with the report as published in *Hansard* of that date, and find (1) that the corrections made were not in any respect such as to alter the sense or call for notice; (2) that the report, as published in *Hansard*, is a correct report of the speech delivered by the honourable member in the House.

Mr. O'Connor moved, That the question be amended by the omission of all the words after the word "That," with a view to the insertion of the following words in lieu thereof: "this Committee adjourn till Thursday for the purpose of considering a report, and that, in the meantime, the transcript and revises remain in the hands of the Clerk for the purpose of examination by members of the Committee."

Hon. Mr. Hislop then moved, That the Committee adjourn the consideration of bringing up a report.

And the question being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Hon. Mr. Hislop, Mr. Lawry, Mr. O'Connor.

*Noes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

So it passed in the negative.

Mr. Moss here asked leave to withdraw his motion.

Mr. O'Connor objected. So the question was put.

And the question being put, That the words proposed to be omitted stand part of the question, it passed in the negative.

And the question being put, That the words proposed by Mr. O'Connor to be inserted, in lieu of the words struck out, be so inserted, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Hon. Mr. Hislop, Mr. Lawry, Mr. O'Connor.

*Noes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

So it passed in the negative.

Mr. Saunders then moved to add the following words after the word "That," "whilst both the reporters' manuscript and the printers' proofs have been very carefully corrected, and some manifest reporters' and printers' errors rectified, all alterations have been in the direction of making the report a more clear and faithful representation of what was said in the House. In one or two cases the sense and intention of the speaker had been reversed, in the first draft reports, by that very common mistake of simply omitting or adding a negative, but even these occurred in immaterial

parts of the speech, and no alteration whatever was made to either mitigate or exaggerate the charges brought against the Government by the member for Waitotara.”

And the question being put, That the words proposed to be added stand part of the question,—

Mr. Feldwick moved, That the words proposed to be inserted be amended by the omission of the following words after “and no:” “alteration whatever was made to either mitigate or exaggerate,” with a view of inserting the following words in lieu thereof: “alterations seriously affect.”

And the question being put, That the words proposed by Mr. Feldwick to be inserted be so inserted, in lieu of the words proposed to be struck out, it was resolved in the affirmative.

And the question being put, That the words proposed to be inserted as amended be so inserted, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Mr. Feldwick, Mr. Moss, Mr. Saunders.

*Noes*, 3.—Hon. Mr. Hislop, Mr. Lawry, Mr. Reeves.

The votes being equal, the Chairman gave his casting vote with the *Noes*.

So it passed in the negative.

Mr. Reeves moved to add the following words after the word “That” in the original motion: “the Committee has made the examination directed, and finds that the greater part of the alterations made by Mr. Hutchison were merely literary corrections, and that, as regards the remainder, the charges made against the Government were not materially altered thereby.”

And the question being put, That the words proposed by Mr. Reeves to be added be so added, the Committee divided, and the names were taken down as follow:—

*Ayes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

*Noes*, 2.—Hon. Mr. Hislop, Mr. Lawry.

So it passed in the affirmative.

And the original question, as amended, being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

*Noes*, 2.—Hon. Mr. Hislop, Mr. Lawry.

So it was resolved in the affirmative.

*Resolved*, That the Committee has made the examination directed, and finds that the greater part of the alterations made by Mr. Hutchison were merely literary corrections, and that, as regards the remainder, the charges made against the Government were not materially altered thereby.

A further amendment was offered by Mr. Lawry, as follows: To insert after the word “That” “the Committee, only having heard the Chairman read the manuscript and proofs of the speech made by the member for Waitotara, are not in a position to state whether the accusations made against the Government are mitigated or exaggerated, as they have had no opportunity to examine the manuscript and proofs beyond the casual one indicated above.

This amendment could not be put, the Committee having by the previous vote decided the issue.

Moved by Hon. Mr. Hislop, That the Committee do now adjourn till to-morrow, Wednesday, the 20th instant, at 10.30 a.m., and that the Clerk have the custody of the transcript proofs and revises of Mr. Hutchison’s speech, and that members of the Committee have access to the same.

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#### WEDNESDAY, 20TH AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Major Steward (Chairman), Mr. Feldwick, Hon. Mr. Hislop, Mr. Lawry, Mr. Moss, Mr. O’Conor, Mr. Reeves, Mr. Saunders, Mr. Whyte.

The minutes of the previous meeting were read and confirmed.

Mr. Feldwick, in accordance with his notice of motion, now moved for leave to amend the same by retaining the words down to and including the word “witnesses” in the resolution of the Committee of the 14th instant, and to strike out all the words after “witnesses.”

And the question being put, That leave be so given to Mr. Feldwick to amend the motion, it was resolved in the affirmative.

Mr. Feldwick then moved to amend the resolution of the Committee of the 14th instant by the omission of all the words after the word “witnesses.”

And the question being put, That the words proposed to be omitted be so omitted, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Mr. Feldwick, Mr. Moss, Mr. Saunders.

*Noes*, 5.—Hon. Mr. Hislop, Mr. Lawry, Mr. O’Conor, Mr. Reeves, Mr. Whyte.

So it passed in the negative.

Mr. Feldwick moved, That the Chairman report to-day in accordance with the terms of the resolution of yesterday and that of the 14th August.

A debate on the question of bringing up a report, in which all the members of the Committee took part, lasted for a considerable time, when Mr. Whyte moved the adjournment of the debate.

And the question being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 4.—Hon. Mr. Hislop, Mr. Lawry, Mr. O’Conor, Mr. Whyte.

*Noes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

The voting being equal, the Chairman gave his casting vote with the *Ayes*.

So it was resolved in the affirmative.

Mr. Whyte gave notice that he would move at the next meeting of the Committee, That all

the words after the word "witnesses" in the resolution of the Committee of the 14th instant be rescinded.

*Resolved*, That the Chairman in the meantime bring up no report.

On motion of Mr. Whyte, the Committee adjourned till 11 a.m. to-morrow, the 21st instant.

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THURSDAY, 21ST AUGUST, 1890.

The Committee met pursuant to notice.

*Present*: Major Steward (Chairman), Mr. Feldwick, Hon. Mr. Hislop, Mr. Lawry, Mr. Moss, Mr. O'Connor, Mr. Reeves, Mr. Saunders, Mr. Whyte.

The minutes of the last meeting were read and confirmed.

Mr. Feldwick asked leave to withdraw his motion, given on the 19th instant.

And the question being put, That leave be given to Mr. Feldwick to withdraw the same, it was resolved in the affirmative.

Mr. Whyte, in accordance with his notice of motion of the 19th instant, now moved, That all the words after the word "witnesses" in the resolution of the Committee of the 14th instant be rescinded.

And the question being put, That all the words after the word "witnesses" in the resolution of the Committee of the 14th instant be omitted, it was resolved in the affirmative.

Mr. Feldwick moved, That the Chairman bring up a report to-day in terms of the resolution passed on the 19th instant.

Mr. O'Connor moved to amend Mr. Feldwick's motion by the addition of the following words: "together with the minutes and documentary evidence."

Hon. Mr. Hislop moved, To strike out all the words after the word "That," in Mr. Feldwick's motion, with a view of inserting the following words: "the Committee report the evidence and minutes."

Mr. O'Connor asked leave to withdraw his amendment.

And the question being put, That leave be given to Mr. O'Connor to withdraw his amendment, it passed in the affirmative.

And the question being put, That the words proposed to be omitted stand part of the question, the Committee divided, and the names were taken down as follow:—

*Ayes*, 4.—Mr. Feldwick, Mr. Moss, Mr. Reeves, Mr. Saunders.

*Noes*, 4.—Hon. Mr. Hislop, Mr. Lawry, Mr. O'Connor, Mr. Whyte.

The Chairman said that he was placed in an exceedingly difficult and responsible position. Throughout this inquiry he had endeavoured to act with entire fairness, and without bias in favour of his own opinions. Under present circumstances it became his duty to decide the issue, and inasmuch as to negative the present resolution would throw the Committee into chaos, and, as in his view, the resolution of the 19th instant should be reported to the House, he would give his casting vote with the Ayes.

So it was resolved in the affirmative.

And the original question being put, it was resolved in the affirmative.

*Resolved*, That the Chairman bring up a report to-day in terms of the resolution passed on the 19th instant.

Mr. O'Connor moved a vote of thanks to the Chairman for the very impartial manner in which he had conducted the proceedings of the Committee.

The Committee then adjourned.

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## APPENDIX.

[Corrections made in part of MSS. speech shown in erased type and italics.]

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And now, Sir, I will refer *again* to the Financial Statement, ~~to come down to the colony's and come back to consider the present position of the colony.~~ I take the same exception to this Financial Statement that I took to the Speech of His Excellency the Governor: *I object to it* for what it does not contain. Our attention is sought to be engrossed by the *movements of the Consolidated Fund.* The Treasurer ~~has the~~ *displays the revenue and expenditure with engaging vivacity; he has the money as it were* on the table before him, and he shifts ~~them~~ *it* to and fro; he makes ~~them~~ *it* fall in a *glittering* cascade to attract our ~~attention~~ *admiration*; ~~and he~~ *collects a little pile and calls it a surplus, and he covers over the deficiency with his the Financial Statement!* But while he is *engaging seeking thus to engross* the attention of honourable members ~~by~~ *with the beauty of the Consolidated Revenue Fund, in the next room throughout the last three years at any rate the Government have been his confederates have been* amusing themselves with a larger fund *as regards the opportunities for speculation—the Public Works Fund, and so on* to which our Consolidated Fund is *in some respects* a comparative trifle. I will ask honourable members to bear with me while I touch on the occurrences of the last three years with reference to the Public Works Fund—*that fund which is made up of borrowed money.* In 1888, ~~the second~~ *just before the second* session of this Parliament, it will be remembered that there was a crisis in respect of the *two-million* loan in London. The loan ~~Bill of which was to have authorised the previous year had been bungled—and the loan it could not be raised. It was a period of great anxiety. It was a crisis in the history of the colony in more senses than one. There was during~~ *Soon* after the month of March ~~the period when in that year 1880, a certain monetary institution had to present its half-yearly report and balance-sheet. I refer to the Bank of New Zealand. I mean to refer often to that bank, but never except in so far as the bank is concerned with the finance of the colony; outside of that I have no concern with it at all, but inside of that I have, and every member of this House has, a deep concern in its transactions. On the 31st March it was necessary then for them the bank directors to present their report and balance-sheet. Do not honourable members remember the meeting of that day in Auckland when the chairman of directors presented his report? There were ugly reports current as to the stability of the bank. The chairman of directors, Sir, was then Sir Frederick Whitaker, and he was also then and as he is still Attorney-General in the present Administration. I am not going to indulge in any phantasies. but we I shall deal with facts. We are here to speak the truth—impugn it whoso listeth; and I say that that honourable gentleman was at that date was deeply indebted to the Bank of New Zealand. I will not say that the amount of his account overdraft was £40,000 or any other sum, because as some honourable Minister may get up and say it~~

[Corrections made in proof and revise of part of speech shown in erased type and italics.]

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And now, Sir, I will refer again to the Financial Statement, and come back to consider the present position of the colony. I take the same exception to this Financial Statement that I took to the Speech of His Excellency the Governor: I object to it for what it does not contain. Our attention is sought to be engrossed by the movements of the Consolidated Fund. The Treasurer displays the revenue and expenditure with engaging vivacity; he has the money, as it were, on the table before him, and he shifts it to and fro; he makes it fall in a *glittering* cascade to attract our admiration; he collects a little pile and calls it a surplus, and he covers over the deficiency with the Financial Statement! But, while he is seeking thus to engross the attention of honourable members with the beauty of the Consolidated Fund, in the next room his confederates have been amusing themselves with a larger fund—the Public Works Fund—to which our Consolidated Fund is ~~in some respects~~ a comparative trifle, as regards *at least the opportunities* for speculation. I will ask honourable members to bear with me while I touch on the occurrences of the last three years with reference to the Public Works Fund—that fund which is made up of borrowed money. In 1888, just before the second session of this Parliament, it will be remembered that there was a *crisis hitch* in respect of the *proposed two-million loan in London.* The loan, which was to have *been* authorised the previous year, had been bungled—it could not be raised. It was a period of great anxiety. It was a crisis in the history of the colony in more *senses* ways than one. ~~Seen after the month of March~~ *In the usual course, early* in that year a certain monetary institution had to present its half-yearly report and balance-sheet. I refer to the Bank of New Zealand. I mean to refer often to that bank, but never except in so far as the bank is concerned *nedted* with the finances of this colony; outside of that I have no concern with it at all, but inside of that I have, and every member of this House has, a deep concern in its transactions. It was necessary, then, for the bank directors to present their report and balance-sheet. Do not honourable members remember the meeting in Auckland when the chairman of directors presented his report? There were *ugly reports rumours* current as to the stability of the bank. The chairman of directors, ~~Sir, then~~ was the Hon. Sir F. Whitaker, and he was also then, and as he is still, Attorney-General in the present Administration. I am not going to indulge in any phantasies. I will deal with facts. We are here to speak the truth—impugn it whoso listeth; and I say that that honourable gentleman was at that date deeply indebted to the Bank of New Zealand. I will not say that the amount of his overdraft was £40,000 or any other sum, because some Minister may get up and say it was not so, because the amount was a little larger or a little smaller, as the case ~~may~~ *might* be; but I will say it was a very, very heavy

was not so because the amount was a little larger or a little smaller as the case may be, but *I will say* it was a very, very heavy amount, and an amount which has never been discharged to this day, and, if the Government will appoint a Committee on the subject, for which I hope to give some further reasons *later on*, to inquire into the transactions of the Government with the Bank of New Zealand during the past three years, I take upon myself the onus of proving *that* what I now say is *absolutely* correct. Here, then, we have at this ~~double crisis in the money market—a crisis with the colony and a crisis with the bank—the chairman of directors of the Bank of New Zealand~~ the Attorney-General of the present Ministry, as a ~~gentleman of great experience~~ power in politics, ~~and who~~ one had been the Premier of the colony before, and from his *great* ability and *long* experience was no doubt entitled to a great deal of weight in the counsels of the Ministry. What was done? ~~The~~ *As I have said*, the loan could not be raised: no assistance could be looked for from that source; but a perfectly abnormal state of finance ~~was carried on that year had been created for the emergency~~ by authority being taken for the Colonial Treasurer to float £840,000 of deficiency bills. ~~This~~ *This* was quite an abnormal state of things, the normal state amount being £700,000; and, although the ~~amount~~ *maximum* of £840,000 was reduced before the balance-sheet of the colony was made up *on the 31st of March*, for presentation to the House in the session of 1888, even at that date there were three-quarters of a million of deficiency bills ~~extant with the name of the Treasurer of the colony attached to them in circulation. And to indicate the reason~~ *The reason* why these bills were floated ~~they were floated~~ *was* to buy minted gold. To ~~put~~ *be* accumulated into the coffers of the Government of the colony? *No*; to fill the coffers of the Bank of New Zealand. I ask the Government to meet this ~~in Committee~~ if they can *before a Committee*, or by any other tribunal they choose to erect. The loan was floated in June, ~~and it was~~ 1888. As I took occasion to say last session, *it was* floated at a less sacrifice of £100,000, ~~and by reason of the more favourable circumstances in the earlier part of the year, when, if there had been no bungle, it might have been floated.~~ *It was* floated also, I regret to say, under circumstances of such gross misrepresentation of fact as would, by the rules of any Court of law,—had it been the prospectus of a private company,—*have* entitled the subscribers to have had their liabilities allotments of scrip set aside. The loan was floated, as I have said, at a ~~direct indirect~~ loss of £100,000, ~~but of~~ *at a direct expense, besides, of over £110,000 with principal, discount, and interest in discounts and expenses. And in the first year of its issue that loan cost us 10 per cent. That loan cost the colony, not reckoning the indirect loss, 10 per cent. the first year. The crisis, so far as the colony was concerned, was past, but the crisis in the affairs of the bank continued. The gross proceeds of £1,955,000 went into the Bank of New Zealand, and now a curious thing follows though for a time somewhat relieved by the assistance of our loan. And a curious thing occurred. I have referred to the meeting in March, 1888, and to the disclosures which the directors must have known were inevitable and which the directors of the bank must be taken to have known to be inevitable, but for some purpose were postponed as far as possible. but were not revealed. It was considered desirable to strengthen the bank in various ways, one of which was by representing the con-*

amount, and an amount which has never to this day been discharged, and, if the Government will appoint a Committee—for which I hope to give some further reasons later on—to inquire into the transactions of the Government with the Bank of New Zealand during the past three years, I take upon myself the onus of proving that what I now say is absolutely correct. Here, then, we have at this double crisis—a crisis with the colony and a crisis with the bank—the chairman of directors the Attorney-General of the present Ministry, a power in politics, one who had been the Premier of the colony before, and *one who*, from his great ability and long experience, ~~was exercised~~ no doubt entitled to a great deal of weight in the counsels of the Ministry. What was done? As I have said, the loan could not be raised: no assistance could be looked for from that source; but a perfectly abnormal state of finance ~~had been~~ *was* created for the emergency. ~~by Authority being taken for~~ *was obtained by* the Colonial Treasurer to float upwards of £840,000 of deficiency bills. This was quite an abnormal state of things, the normal amount being £700,000; and, although the maximum of £840,000 was reduced before the balance-sheet of the colony was made up on the 31st March, for presentation to the House in the session of 1888, even at that date there were three-quarters of a million of deficiency bills in circulation. The reason why these bills were floated was to buy minted gold. To be accumulated in the coffers of the colony? No; to fill the coffers of the Bank of New Zealand. I ask the Government to meet this charge, if they can, before a Committee, or ~~by~~ *before* any other tribunal they choose to erect. The loan was floated in June, 1888. As I took occasion to say last session, it was floated at a sacrifice of £100,000, by reason of the more favourable circumstances *having been lost* in the earlier part of the year, when, if there had been no bungle, it might have been *more successfully* floated, ~~having been lost~~ *It was* floated also, I regret to say, under circumstances of such gross misrepresentation of facts as would, by the rules of any Court of law,—had ~~it been the prospectus~~ *the case been* that of a private company,—*have* entitled the subscribers to have had their allotments of scrip set aside. The loan was floated, as I have said, at an indirect loss of £100,000, ~~and~~ at a direct expense, besides, of over £110,000 in discounts and expenses. That loan *must have* cost the colony—~~not reckoning the indirect loss—~~ 10 per cent. the first year. The gross proceeds, amounting to £1,955,000, went into the Bank of New Zealand. The crisis, so far as the colony was concerned, was *past over*. But the crisis in the affairs of the bank continued, though for a time somewhat relieved by the assistance of our loan. ~~And~~ *Then* a curious thing occurred. I have referred to the meeting in March, 1888, and to the disclosures which the directors must have known were inevitable, ~~but were not revealed.~~ *It was* considered *desirable necessary* to strengthen the *position* of the bank in various ways, one of which was by representing the contrary of what ~~was~~ *must be* taken to have been known by some to be coming. I charge the Government with having interfered, through the Agent-General, in London, ~~in~~ *by* endeavouring to bolster up the credit of the bank and deceive the public. If the Government will not give the Committee I suggest, ~~let them have~~ *I ask them to* let any man they choose to name, not connected with themselves,—the honourable member for Lincoln or the honourable member for Waipa,—to go

trary of what was known by some to be coming. And I charge the Government with having interfered, with through the Agent-General, in London, in endeavouring to bolster up the credit of the bank and endeavour to deceive the public. If the Government will not give the Committee I suggest, let them have any man they choose to name, not connected with themselves,—the honourable member for Lincoln and or the honourable member for Waipa,—to go over the file of telegrams to the Agent-General in the latter part of 1888 and the beginning of 1889, and say whether or not the Government of the colony did not employ the Agent-General to assure the public of London that the position of the Bank of New Zealand was sound. and That their the position of the bank then was sound is what we all now know not to be true : the disclosures since made show that without any doubt. Those who make representations must be responsible for the facts as alleged, or are equally liable for representing what they do not know to be true. Now, let us see how the Ministry was aiding the Bank with money. There was in 1889, according to the Public Works Account in that year, one and a half millions, the proceeds of this two-million loan. and there is To anticipate somewhat, I have here a little Table (to anticipate a little) which I think would be rather interesting to the public were it added to those accompanying the Financial Statement, or those which may yet be issued with the Public Works Statement. I have it here. It is a table of four lines only, and it indicates the percentage of money in the Public Works Fund which were was uninvested, of the balance as the or the "free money" as the Colonial Treasurer, in his Financial Statement, would call it:

On 31st March.	Total Fund.	Not invested.	Percentages not invested.
	£	£	
1887	1,012,439	111,344	11 per cent.
1888	773,975	412,749	53 "
1889	1,368,926	525,367	31 "
1890	1,224,736	587,832	48 "

In 1887 I find that there was only a balance percentage of 11 per cent. uninvested. The Government had invested the whole of the available funds, less 11 per cent.—a reasonable sum to hold at call. In 1888, there was 53 per cent. ; uninvested and in 1889, 31 per cent. ; and in 1890, 48 per cent. was uninvested. The last three amounts respectively of money uninvested were large amounts: the first amount was over £412,000, in round numbers the next was over £525,000, and the next last was over £587,000—moneys for which the colony was paying interest, but which the Government had left uninvested, yielding no profit or return from the Bank of New Zealand. Will the Treasurer or his deputy see that these data are annexed to the Financial Statement or the Public Works Statement, for the information of the colony? The figures are all taken from documents issued by themselves the Colonial Treasurer. Now we come to the financial operations conversion scheme of last year. It may not have been It did not promise much of a gain in the way of ready money to the bank, but it was what banks like : the circulation of coin. I refer to the conversion of the loan dealt with in the Financial Statement. I would remind honourable members that the amount which had to be raised last year was only £388,000, and it was quite clear that tempo-

over the file of telegrams to the Agent-General in the latter part of 1888 and the beginning of 1889, and say whether or not the Government of the colony did not employ the Agent-General to assure the public of London that the position of the Bank of New Zealand was sound. That the position of the bank then was sound is what we all now know was not to be true : the disclosures since made show that without any doubt. Those who make representations must be are responsible for the facts as they alleged, or are equally liable for representing what they do not know to be true. Now, let us see how the Ministry was were aiding the bank with money. There was in 1889, according to the Public Works Account in of that year, in round numbers, one and a half millions, the proceeds of this two-million loan lodged in the bank. To anticipate somewhat, I have here a little Table, which I think would be rather interesting to the public were it added to those accompanying the Financial Statement, or those which may yet be issued with the Public Works Statement. It is a table of four lines only. It indicates the percentage of money in the Public Works Fund which was uninvested, or the "free money," as the Colonial Treasurer, in his Financial Statement, would call it :

On 31st March.	Total Fund.	Not invested.	Percentages not invested.
	£	£	
1887	1,012,439	111,344	11 per cent.
1888	773,975	412,749	53 "
1889	1,368,926	525,367	31 "
1890	1,224,736	587,832	48 "

In 1887, I find it will thus be seen that there was only 11 per cent. a small percentage uninvested. The Government of that day had invested the whole of the available funds, less 11 per cent.—a reasonable sum to hold at call. In But in 1888, 53 per cent. ; in 1889, 31 per cent. ; and in 1890, 48 per cent. was remained uninvested. The last three amounts of money uninvested will be observed to have been very large amounts: the first was over £412,000, the next was over £525,000, and the last was over £587,000—moneys for which the colony was paying interest but which the Government left uninvested, yielding obtaining no profit or return from the Bank of New Zealand. Will the Treasurer or his deputy see that these data are annexed to the Financial Statement or the Public Works Statement, for the information of the colony? The figures are all taken from documents issued by the Colonial Treasurer. Now we come to the conversion scheme of last year. It did not promise much of a gain in the way of ready money to the bank, but it was meant what banks like : the circulation of coin. I would remind honourable gentlemen that the amount which had to be raised last year was only £388,000, and it was is quite clear that temporary provision might have been made for that, if it was were desirable to postpone a larger conversion of outstanding loans. The Government, however, determined to raise a loan which would include £2,207,300, which was the balance of the '78 loan, called "the ten-forties" from the fact that they could be redeemed at any time after ten years from the 1st September, 1888, up to the 1st September, 1918. It was arranged that tenders were to should be invited to be sent in by the 25th October last year. Now, I wish



rary provision might have been made for that if it was desirable to postpone the a larger conversion of outstanding loans. The Government, however, determined to raise a loan which would include of £2,207,300, which was the balance of the '78 loan called "the ten-forties" from the fact that they could be redeemed at any time after ten years from the 1st September, 1888, up to the 1st of September, 1918. However this was floated, or rather this was arranged to be floated, and it was arranged that tenders were to be sent invited to be sent in by the 25th October of last year. Now, I wish to revert for a few minutes to something that occurred last session. The honourable member for Dunedin South has this afternoon referred somewhat to the recommendation what the Minister Postmaster-General the other day claimed to be the sanction or recommendation agreement of the Public Accounts Committee of last session to the advance of the sum of some £5,000 to meet the debentures of the New Plymouth Harbour Board which were to come due on the 1st of November last,—about a week after the date when the tenders for the conversion of the loan were to be accepted. It will be necessary to refer somewhat to the New Plymouth Harbour Board. It will be remembered that in the session of 1888 the Premier Colonial Treasurer, from his seat in this House, indicated that it was "a serious matter," and that it was necessary and proper that this House should consider and determine the question whether these should be redeemed relieved in some way, or other in the way of advancing against its future income, because otherwise the Board were would be compelled to stop payment, and that as it was the Board was practically insolvent. He introduced a Bill in that year called "The Harbours Bill"—why not "The New Plymouth Harbour Bill" I do not know. It was intended to assist the New Plymouth Harbour Board by capitalising the perpetual-leaseholds rents in the Provincial District of Taranaki, so as to enable the Board to meet its interest for three or four years: it could not possibly pay for longer cover a longer term. The House unequivocally condemned the whole proposal and said it would have none of it—that it was a dangerous thing to interfere in such matters. Yet, during the recess which followed, the Colonial Treasurer advanced the New Plymouth Harbour Board sufficient to enable them to redeem meet their half-yearly interest in November May, 1889. In the first week of the session of 1889 that year I took occasion to ask the Colonial Treasurer what assistance had been given to the Board and the means by which the money had been provided. The Treasurer stated that they had advanced £690 against rates on Native land and £2,200 against the 25 per cent. of the land revenue. Feeling somewhat doubtful as to the security of the colony in reference to that advance, I pressed the Colonial Treasurer, after he gave an answer to the question on the Order Paper, as to whether he was satisfied and assured of the position of the colony in making that advance. The assurance answer he gave me was this that he was assured the honourable gentleman that there was no doubt whatever as to the security of the Government. He was still further pressed by myself as to whether the Government had taken the opinion of the Law Officers of the Crown on the subject, and the Treasurer he answered that they the Government had done so before making the advance. Now, one of two things has occurred: either the Treasurer spoke without being correct, or the Law

to revert refer for a few minutes to something that occurred last session. The honourable member for Dunedin South has this afternoon referred to what the Postmaster-General the other day claimed to be the sanction or agreement of the Public Accounts Committee of last session to the advance of the sum of some nearly £5,000 to meet the debentures of the New Plymouth Harbour Board which were to come due on the 1st November last—about a week after the date when the tenders for the conversion of the loan were to be accepted. It will be necessary to refer somewhat to the New Plymouth Harbour Board. It will be remembered that in the session of 1888 the Colonial Treasurer, from his seat in this House, indicated stated that "it was a serious matter," the future of the Board with reference to its interest payments in London raised a "serious question," and that it was necessary and proper that this House should "consider and determine" the question whether these should the necessities of the Board should not be relieved in some way, in the way of by advancing against its future income, because otherwise the Board would be compelled to stop payment, and that, as it was, the Board was practically insolvent and might involve the colony. He introduced a Bill in that year called "The Harbours Bill—but why not "The New Plymouth Harbour Bill" I do not know. It was intended proposed to assist the New Plymouth Harbour Board by capitalising the perpetual-leasehold rents and deferred-payment land payments in the Provincial District of Taranaki, to which the Board was entitled, so as to enable the Board it to meet its interest for three or four years: if the proceeds could not possibly cover a longer term. The House unequivocally condemned the proposal and said it would have none of it—that it was dangerous to interfere in such a matter. Yet, during the recess which followed, the Colonial Treasurer advanced the New Plymouth Harbour to the Board sufficient money to enable them it to meet their the half-yearly interest due in May, 1889. In the first week of the session of that year I took occasion to ask the Colonial Treasurer what assistance had been given to the Board and the means by which that money had been provided. The Treasurer stated that they he had advanced £690 against rates on Native lands and £2,200 against the 25 per cent. of the land revenue. Feeling somewhat doubtful as to the security of the colony in reference relation to that advance, I pressed the Colonial Treasurer, after he gave an the answer to the question on the Order Paper, as to whether he was satisfied of the position of the colony in making that advance. The assurance answer he gave me was that he was assured as to the security of the Government. He was On being still further pressed as to whether the Government had taken the opinion of the Law Officers of the Crown on the subject, and he answered replied that the Government had done so before making the advance. Now, one of two things has occurred: either the Treasurer spoke without being correct, or the Law Officers of the Crown have changed their opinion; for now we are told that the other moneys since advanced under similar circumstances are not likely to be recovered. Reverting now to the point at which I digressed, and dealing with what occurred in the Public Accounts Committee, I am now going to refer to something that is not to be discovered only by hunting up the archives of the colony but to something which was is in print and

Officers of the Crown have changed their opinion ; for now we are told that the moneys since advanced *under similar circumstances* are not likely to be recovered. ~~But now~~ Reverting ~~again to now~~ *to the part at which I digressed, in dealing with what occurred in the Public Accounts Committee, and I am now going to refer to what can something that is not to be discovered only be discovered by hunting up the archives of the Government, but to something which was in print—although print and which circulated but only for the information of those gentlemen who composed the Public Accounts Committee.* ~~It was~~ I refer to a letter, dated the 12th July, 1888, from the Agent-General to the ~~Premier~~ Colonial Treasurer, and, although we have no previous correspondence *was set out*, the letter clearly indicates that it was called ~~for~~ forth by some communication from the ~~Premier~~ Colonial Treasurer to the Agent-General,—that the letter was probably written upon the lines indicated in a communication ~~of~~ from the ~~Premier~~ Colonial Treasurer. In that letter the Agent-General tells the Premier that “the opinion generally” in London is that default by the New Plymouth Harbour Board would have no more than “a ~~transitory~~ transient effect.” Remember that it was known that this Board was in difficulties. The Colonial Treasurer had himself announced *the fact*, and his announcement is reported in *Hansard* ~~in~~ for 1888. And remember, too, that the payment of ~~their~~ the Board's interest would not fall due until ~~a week~~ more than a week after the conversion ~~had been~~ *was to have been* effected. The letter goes on to say this—and I will use its very words themselves : It advises, ~~that they with reference to the Board, that the colony should~~ “tide over the next dividend somehow, as a pure matter of expediency.” ~~to the colony—and advance the money.~~ Here is our high-minded ~~toned~~ Agent-General putting it on the ground of “pure” expediency that the Government should do something to deceive the moneyed public in London ! What are we coming to ? This is the Government of sound finance. This is the Government of high morality. This is the Government of ~~specious~~ *promises* ~~faultless~~ *promise*. It was bad enough for the Agent-General to propound such a thing, but we have the *Colonial Treasurer, who is also Premier, in addition adopting his opinion that advice*, printing this letter, circulating amongst the Public Accounts Committee, and getting something from that Committee which, according to the Minister the other day, warranted the Treasurer in advancing this money. That there was any warrant, any authority, for doing so, no one who considers the matter *will for a moment dare to say* ~~assert~~. What is a Committee but a few gentlemen delegated *by the House* to inquire into and report on any matter, and *who*, until this House has decided, ~~they~~ have no weight or authority ? And yet in that Committee, if I am correctly informed, by some juggle—by some *one* being ~~got to propose~~ *proposing* that this money should not be advanced, and then by “the previous question” being carried—the Colonial Treasurer takes upon himself to advance the ~~money~~ *cash* to the New Plymouth Harbour Board. That is what occurred. But ~~that~~ *the loss of the money* is not the most serious part of the matter. We, perhaps, can afford to lose this £5,000, but I doubt whether we can afford to lose the good name of the colony in connection with its finance. What was this letter written for but to enable the Colonial Treasurer to write Home to the Agent-General to promulgate on the Stock Exchange that the *next* payment

which was circulated but only for the information of those gentlemen who composed the Public Accounts Committee. I refer to a letter, dated the 12th July, 1888, from the Agent-General to the Colonial Treasurer. ~~and~~ Although no previous correspondence ~~was~~ *is* set out, the letter clearly indicates that it was called forth by ~~some~~ *a* communication from the Colonial Treasurer to the Agent-General,—that the letter was probably written upon the lines indicated in a communication from the Colonial Treasurer. In that letter the Agent-General tells the Colonial Treasurer that “the opinion generally” in London is that ~~the~~ default by the New Plymouth Harbour Board would have no more than “a transient effect.” Remember that it was known that this Board was in difficulties. The Colonial Treasurer had himself announced the fact, and his announcement is reported in *Hansard* for 1888. And remember, too, that the payment of the Board's interest would not fall due until more than a week after the conversion was to have been effected. The letter goes on to say this—and I will use the very words themselves : It advises, with reference to the Board, that the colony should “tide over the next dividend somehow, as a pure matter of expediency.” Here is our high-toned Agent-General putting it on the ground of “pure” expediency that the Government should do something to deceive the moneyed public in London ! What are we coming to ? ~~This is~~ *Is this* the Government of sound finance ? Is this the Government of high morality ? Is this the Government of faultless promise ? It was bad enough for the Agent-General to propound such a thing, but ~~we have~~ *worse* for the Colonial Treasurer, who is also Premier, *to adopting* that advice, printing this letter, circulating it amongst the Public Accounts Committee, and getting something from that Committee which, according to the Minister the other day, warranted the Treasurer in advancing ~~this money~~ *£4,992*. That there was any warrant, any authority, for doing so, no one who considers the matter for a moment will dare to assert. What is a Committee but a few gentlemen delegated by the House to inquire into and report on ~~any~~ *a* matter, and ~~who~~ *whose* ~~recommendations can~~, until this House has ~~decided~~, *adopted them*, have no weight or authority ? And yet in that Committee, if I am correctly informed, by some juggle—by some *one's* being *proposing* that this money should not be advanced and then by “the previous question” being carried—the Colonial Treasurer ~~takes~~ *took* upon himself to advance the cash to the New Plymouth Harbour Board. That is what occurred. But ~~The~~ *loss* of the money is not the most serious part of the matter. We, perhaps, can afford to lose this £5,000, but I doubt whether we can afford to lose the good name of the colony in connection with its finance. What was this letter written for but to enable the Colonial Treasurer to write Home to the Agent-General to promulgate on the Stock Exchange that the next payment by the New Plymouth Harbour Board would be duly made ? We ~~then~~ *thus* see the Agent-General of ~~this~~ colony fussing about London and assuring ~~the~~ people that the New Plymouth Harbour Board is all right ! Dealing now with the conversion-loan in connection with which ~~they~~ *this* advance to the New Plymouth Harbour Board was made, ~~we~~ *I* find that the Loan Agents of the colony in Dunedin advertised for tenders for £2,700,000. The exact sum required for meeting the two loans was £2,595,300, so that the loan

by the New Plymouth Harbour Board would be duly made? ~~Here is~~ We then see the Agent-General of this colony fussing about London and assuring the people that the New Plymouth Harbour Board is all right! ~~But what next have we got.~~ This was carried on through the Loan Agents ~~of the Dealing now with the conversion-loan in connection with which this advance to the New Plymouth Harbour Board was made, we find that the Loan Agents of the colony in London and the amount tendered for was advertised for tenders for £2,700,000.~~ The exact sum required for meeting the two loans was ~~£2,555,000~~ £2,595,300, so that the loan which they asked the public to subscribe for was £104,700 over the amount actually required to discharge the old indebtedness. Now, in the Financial Statement we are told that this has been done: and a very curious thing occurred in reference to that loan. ~~The amount advertised was £2,700,000, and for that they that the Loan Agents have actually been taken £70,000, or, in all, £2,770,000.~~ I am not sufficiently acquainted with these matters to know whether or not it is usual when borrowing power is asked for a specific sum is asked for to take more from than the subscribers than has been advertised as the amount required have been informed was intended to be taken. £70,000 is a very small sum as compared to the with £2,700,000; but, if once the principle is allowed, there is no limit to which it might not be carried. Why not accept every tender sent in as well as those for £70,000 more than were advertised for? Does it not reduce the security of those who have tendered on the basis of £2,700,000 to take from them £70,000 more? ~~However is the case.~~ The Colonial Treasurer, in his Financial Statement, says that "the papers relating to the negotiation of this loan will at once be laid on the table at once before Parliament." But they are not there yet on the table, and I shall look with a large amount considerable degree of interest for the explanation of this last financial operation by our Loan Agents in London. One more reference to the Bank of New Zealand and I have done. Honourable gentlemen, looking at the Consolidated Fund Account which has been circulated "Abstract of the Revenue and Expenditure of the Public Account" for the financial year ended the 31st March last, will see a sum of £800,000 on transit from the colony to London on the 31st March this year, shown as "Remittances to London." That, Sir, was done, although there was a large surplus, which we might call a "free balance money" in London to the credit of another fund, as well as the large uninvested balance already shown to have been uninvested of the Public Works Fund, but which certainly was equally the property of this colony, and surely might be used available for temporary purposes. However, £800,000 however was sent in transit from this colony to London on the 31st March. and That was a perfectly abnormal sum. In 1877, —and the distinction and comparison between the administration of those times and the present are somewhat instructive,—there was nothing in transit from this colony to London. A balance was there to be which was used for the temporary purposes in the shape of paying interest and thus saving exchange. In the first year of this Ministry being in office, however, there was, on the 31st March, £200,000 in transit to London; last year, on the corresponding date, there was £557,000 in transit; and this year there was £800,000. in transit from this colony to London. Now, Sir, there is one other topic I would touch on. The honourable member for Waipa has gone through this

for which they asked the public to subscribe for was £104,700 over the amount actually required to discharge the old indebtedness. Now, in the Financial Statement we are told that this has been done: that the Loan Agents have actually taken £70,000 in addition, or, in all, £2,770,000. I am not sufficiently acquainted with these such matters to know whether or not it is usual, when a specific sum is asked for, to take more than the subscribers have been informed was intended to be taken. Compared with £2,700,000, the sum of £70,000 is a small sum trifle; but, if once the principle practice is allowed, there is no limit to which it might not be carried. Why not accept every tender sent in as well as those for £70,000 more than were advertised for? Does it not reduce the security of those who have tendered on the basis of £2,700,000 to take from them £70,000 more? The Colonial Treasurer, in his Financial Statement, says said that the "papers relating to the negotiation of this loan will at once be laid before Parliament." But they are not yet on the table, and I shall look with a considerable degree of interest for the explanation of this last financial operation by our Loan Agents in London. One more reference to the Bank of New Zealand and I have done. Honourable gentlemen, looking at the "Abstract of the Revenue and Expenditure of the Public Account" for the financial year ending the 31st March last, will see a sum of £80,000 £800,000 shown as "Remittances to London." That, Sir, was done seems to have been remitted this year, although there was a large considerable sum which we might call "free money" in London to the credit of another fund, under the head of "Advances," as well as the large uninvested balance already shown to have been uninvested lying at the credit of the Public Works Funds, but which certainly was equally the property of this colony, and surely available for temporary purposes. However, £800,000 was in transit from this colony to London on the 31st March. That was a perfectly abnormal sum an unnecessarily large sum, seeing that the interest and sinking-fund payments, due in April, did not exceed £600,000. In 1887,—and the distinction and comparison between the administration of those that times and the present are somewhat instructive,—there was nothing in transit from this colony to London. A balance was there which was used for the temporary purpose of paying interest and thus saving exchange. In the first year of this Ministry being in office, however, there was, on the 31st March, £200,000 in transit to London; last year, on the corresponding date, there was £557,000 in transit; and this year there was £800,000. Now, Sir, there is only one other topic I would touch on. The honourable member for Waipa has gone through this Statement, and he has derived—I will not say comfort but—a certain amount of encouragement consolation because he gathers that it is here and there stated that we shall have no more borrowing. I say it is only necessary to look at the Tables attached to the Financial Statement to see that there is an absolute necessity, and almost at once, for raising money—not to be spent in the colony—but for meeting engagements in London, for transactions calculated to test the credit and strain the resources of the colony as much as any previous transactions. I have referred to the scheme for the conversion of the loans last year and suggested whether or not it was expedient then to raise the sum of £2,207,300 to meet the ten-forties;—

Financial Statement, and he has derived—I will not say comfort but—a certain amount of encouragement, because he gathers that it is here and there stated that we shall have no more borrowing. I say it is only necessary to look at the Tables attached to the Financial Statement to see that there is an absolute necessity, and at once, for raising money—not to be spent in the colony—but for meeting engagements in London, for transactions which are calculated to test the credit and strain the resources of the colony as much as any previous transactions. I referred to the scheme for the conversion of the loans last year and suggested whether or not it was not expedient to raise a the sum of £2,207,000 300 to meet the ten-forties; that, if it was not necessary, it should be done then they should might wait till an equally or a more favourable occasion offered itself. Now, what is the position in reference to the next year? Honourable gentlemen will find this in the tables from Table No. 4 (pp. 43 and 44) attached to the Financial Statement, although no special remark is made with reference to the fact—although no it-or attention drawn to the fact its importance—that next year there are four loans falling due, amounting to about £1,813,184; to meet which there is accrued sinking fund of £9,786 amounting to £609,786, leaving £1,203,398, subject to some other slight reductions in the shape of sinking fund that has accrued in London, may accrue in the meantime. The dates are there, showing June and November, showing that they fall due next year. Worse still, there is, in the year 1892, the following year there is a loan of £4,257,700 to be met. so that There is thus a total within the next two years of nearly five and a half millions to be met after taking credit for accrued sinking fund. But, Sir, we are to have “no more borrowing!” Is it a not this Financial Statement most illusive—a is it not most deceptive—in glossing over that this Consolidated Fund has left these facts to find a surplus for to call it that we have claimed, to support which we must have a different meaning for the word when the next dictionary is issued in New Zealand. Is it not a mere glossing over of the Consolidated Fund, a cheating of our eyes, to say, as that Statement does, that we are to have no more borrowing, and yet there is that in the face of these five and a half millions sterling to be met within the next twenty-four months? And that, Sir, will not be all. No prospect is held out of meeting this the £400,000 of debentures which were floated in 1887. They will have to be met also within that period.

AN HON. MEMBER.—To whom do they belong?

MR. HUTCHISON.—They belong to the Colonial Bank. I believe the Government claimed that they made a successful financial operation as the Premier told us in the floating two years ago, although the bloom gilt was taken off that statement by the publication, after the session, of the information that they had to pay £200,000 £500 in stamp duty in London alone. However, this £400,000 of debentures have to be met. And, then, there are the loans to local bodies, which at present amount to £250,000. No provision is indicated for that amount. And in reference to these loans for local bodies, I, as a country member, have a complaint to make against the Colonial Treasurer. I speak feelingly, and I say that I and many other honourable members in this House, and certainly many of their constituents, have been rated specially to meet loans advanced under the Act I refer to the Loans to Local Bodies Act, succeeding the Roads and Bridges Construc-

that if it was were not necessary, then they that the Colonial Treasurer might wait till have waited until an equally or a more favourable occasion offered itself. Now, what is the position in with reference to next year? Honourable gentlemen will find from Table No. 4 (pp. 43 and 44) attached to the Financial Statement, although no special remark is made with reference to the fact, although no attention is drawn to its importance, that next year there are four loans falling due, amounting to £1,813,184; to meet which there is are accrued sinking funds amounting to £609,786, leaving a balance of £1,203,398, subject to some slight reduction in the shape of sinking funds that may accrue in the meantime. Worse still, there is, in the year 1892, a loan of £4,257,700 to be met. There is thus a total within the next two years of nearly five and a half millions to be met, paid, after taking credit for accrued sinking funds. But, Sir, we are to have “no more borrowing!” Is not this Financial Statement most illusive—is it not most deceptive—in glossing over these facts, to find with a surplus claimed, to support which we must have a different new meaning for the word when the next dictionary is issued in New Zealand? Is it not a mere glossing over of the Consolidated Fund paltering with the truth, a mere cheating of our eyes, to say state, as that is Statement does, that we are to have no more borrowing, in the face of these five-and-a-half millions sterling to be met within the next twenty-four months? And that, Sir, will not be all. No prospect is held out of meeting the £400,000 of debentures which were floated in 1887. They will have to be met also within that period.

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tion Act. ~~We Settlers in various parts of the colony have had a succession of advances of these moneys to pay for which they have been repaying at the rate of 5 per cent., of which 1 per cent. was to go to form a sinking fund. It But it has not been devoted to that purpose. however for the Let it be told the Colonial Treasurer that he has collared our sinking fund.~~

Mr. KERR.—What has been he done with it?

Mr. HUTCHISON.—He has put it in the surplus! Then, Sir, there is the deficit ~~of~~ in the Land Fund. ~~The honourable member for Waipa referred to it more than once, and There is no prospect of meeting it it being met in the ordinary way, and we may must, I think fear, look forward to the fact that there will be there being a further deficit within the next two years. Therefore, if we put down £70,000 in respect of as representing the deficit of the Land Fund as it will be in 1892, we will not be exaggerating the amount. This is the matter on which the Premier very blandly says, "I do not propose to deal with it this year;" but he some one will have to deal with it next year or the year after. There is no doubt about it, and when this large amount loan has to be floated, he will have to take into consideration consideration will have to be given to the claims of certain parts of this colony to an extension of the railway system. The honourable member for Dunedin South has indicated that the Otago people will not be satisfied until they get an extension of the Central, and I think the people of the North Island, or this part of it, will not be satisfied until the gap between Woodville and Eketahuna is completed, and the railway system of the north and east with this part of the colony connected Island. If we put down a million for these purposes we are will not at all be overstating the amount that will be required. Then there is, I am afraid, almost too certainly, £200,000 to be provided for the New Plymouth Harbour Board. I do not know if the representations payment which the Colonial Treasurer succeeded in ventured on making upon the doubtful authority of the Public Accounts Committee last session was more intended to cover a conversion scheme which would mature at the a time of prior to the issue payment of the debentures, or whether it was not to place on rather to saddle this colony with a liability for the New Plymouth Harbour Board. You will remember that that the claims of the Board have always been treated by the Premier as a special agreement, and it is a very special agreement as peculiar; and so they are, for, now that no further money can be advanced, the Board has defaulted, and the bondholders in London are now entitled to put in a Receiver, who will be entitled to a place on the Harbour Board at the Treasury Board and a seat also at the Land Board of Taranaki, in order to secure for his clients the 25 per cent. of its entire the land revenue and he will also have a seat provided for him on the Land Board of the provincial district—a humiliating position for any colony to be placed in. to have a The bailiff is in possession. We may dress him up, as Charles Dickens is said to have done, as a liveried servant, but he will be a bailiff all the same and will not retire until his claim is satisfied. If we now add up these various sums that I have mentioned, and if we are capable of proving the expense-existence of each enumerated, and we add the expenses necessary for floating such a loan, we come within very little short of eight millions! What does the honourable member for Waipa think of the Financial Statement now? Within, I say,~~

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Bridges Construction Act. Settlers in various parts of the colony have had a succession of advances, which they have been to repaying advances so made at the rate of 5 per cent., of which 1 per cent. was to go should have gone to form a sinking fund. But it has not nothing has been devoted to that purpose. Let it be told the Colonial Treasurer that he has collared our sinking fund.

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~~two or three years a year or two~~ this colony will have to find eight millions ~~on~~ in the London market, or become default. This is enough to make a man ill, and I do not marvel at the absence of the Colonial Treasurer. ~~A year ago he was hale and stalwart—one whose giant strength men talked of; A few months ago has been stricken down, and now he has broken down!~~ ~~It is certainly~~ *There has been, indeed, sufficient* cause. What is our outlook? ~~We have got to hand this colony down~~ *wish to "leave this land as a noble heritage to our children;"* but it will have to be done by better men than those who at present hold the Treasury benches. I will not, whatever I may think, refer to any honourable gentlemen as the pimps and panders of ~~money agents~~ *banks and loan and mortgage companies, because that would be unparliamentary, but I deplore the fact that the gentlemen on these benches are gentlemen whose conduct* ~~conduct of those who occupy the Government benches has been such as cannot be described in parliamentary language, and impeached for being the panders of a bank to which~~ *They have sacrificed the interests of this colony through three long years.* ~~and that~~ We are not safe for one single hour while these gentlemen have control of the finances of the colony. No wonder that they cling to office. No wonder that they want this moribund Parliament, meeting in what I may be called a *this* mortuary chamber, to grant them supplies for ~~the fourth~~ *another* year. We are under a system of triennial Parliaments and yet ~~they~~ *we* are asked ~~us~~ to vote supplies for a fourth year, so that those gentlemen may hold office till next session. I hope they will not *succeed*. However, whatever the temper of this House may be—whatever may be the numerical divisions of this House—I take leave to say, with unusual boldness, that out of doors ~~they~~ *the Government* have not a majority, and that on the hustings they will be impeached and ~~that by the elections~~ *at the ballot-box* they will be condemned.

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