

we think the views held by the other side were to a large extent extreme in the opposite direction. As to the acquisition of our business, we have no doubt that its value to the Bank of New Zealand will be more than its directors estimate. They secure, next to their own, the largest exchange business in the colony, and the excellent advance business, which they much require, and which in no other manner could they obtain in the present condition of the money market, except by cutting rates and taking accounts from other banks. This, for them, | would have been a suicidal policy, for, in lowering rates to customers of other banks, they would be bound to lower their own also, consequently their earning power would be considerably lessened—and this would lead to a very undesirable state of things, good for no institution in the end; lastly, they get their most formidable rival out of the way. With the acquisition of this bank's business and the assistance they have received from the colony, the position of the Bank of New Zealand will thus be remarkably advantageous. There are obvious reasons which have influenced your directors in adopting the course which they have. As indicating the radical changes which have recently taken place in banking in the colonies, |

(c.) At the rate of 150 words per minute. Takes 5 minutes.

That statement *re* interest was wrong, and it was proved to be wrong. In reporting extracts from that speech the London financial paper stated that we "must borrow or burst." It also said, "And all the present Ministry is doing is to conceal as artfully as it can the source from whence it is drawing its surplus of money spent beyond current income." That was the statement which was made then. Similar statements about borrowing or bursting have been regularly kept up in England ever since that time; many people believe there now that we are plunderers and robbers, and that the colony is bankrupt. What was the statement made not very long before my arrival in London—said to emanate from a colonist of high standing? Honourable members must recognise that I must only briefly refer to this. However, I shall do so, because it is essential. He said | this:—

1 "Our rugged mountains must be tunnelled and scarred with the useless lines, our engineers rivalling each other as to which one should produce the most fantastic line after the Mont Cenis or South Andes pattern. Truly the whole thing has been pitiable—very pitiable—and we are all bankrupt. Nearly every wholesale house in the colony has gone to the wall."

That is a statement said to have been written by an old New Zealand settler of position and high character. I ask honourable members to say whether or not that does not imply that every one in this country is bankrupt.

An Hon. MEMBER.—Who wrote it?

2 Mr. WARD.—It is written by an old New-Zealander. Honourable members ask, "Who wrote it?" Let them refer to some of their own speeches if they want to know. A further statement was published at the same time to the | effect that—

"The borrowers all round are bankrupt, and most of the lenders would soon be so likewise, but the Government, which cannot live except by borrowing, and the farmers, who cannot pay because they make no money, and the corporate mortgagees, who know not where to turn for a spare shilling, are all to be made gloriously fat and to be put in funds by a systematic use of the 'splendid credit of the colony on the London market.'"

A further statement is made in the same paper, dated shortly before I arrived in London. It is as follows:—

3 "The position of the inhabitants of New Zealand is too utterly sad for mockery. They have allowed their freedom to be trafficked away to the usurer; debt haunts them in all their transactions—steals the bread out of their mouths, the clothes from their backs; and still the charlatan political | adventurer befools them with gabble about prosperity—about a colony 'impregnable' in its strength. The mind turns from such a spectacle with loathing and pity. But if the age of miracles returns New Zealand may yet be saved."

That is another statement which was published; and yet honourable members upon that side of the House say they have never seen anything published against the credit or position of this country. Here is a statement which was also published by another old settler—it is a statement written from this colony.

Captain RUSSELL: In what paper?

Mr. WARD: The *Investors' Review*.

Hon. MEMBERS: Ha! ha!

4 Mr. WARD: Honourable members may say, "Ha! ha! ha!" but the old settler who sent this statement to the Old Country—did he say, "Ha! ha! ha!"? It is "Ha! ha! ha!" when one reads these statements. Does not that sound like an echo of | the "Ha! ha! ha!" of those who sent it? These damaging statements that are being made there are paralysing our efforts, and yet members laugh when they are read out. What does that show? Does it not show that they care very little that these aspersions on the credit of the country are made? That is the logical conclusion when one hears such laughter when these damaging things are read out:—

5 "Meanwhile our Ministers live modestly in lodgings in the Wellington publichouses. The Ministerial residences of the old extravagant Vogel days do not suit them. They are careful men, who do not care to entertain and live expensively; it is wiser to keep their possessions in a carpet-bag, so that when the crash comes they have only to step on board the first steamer. In all the years I have lived in the colony I never saw things so bad. |