

character, and that the Minister for Public Works is to be warmly congratulated, not only on the fulfilment of his promise, but on the accuracy of his forecast.

I mentioned in my last year's Budget that the tender of Messrs. J. McLean and Sons had been accepted for the Arthur's Pass Tunnel on the Midland Railway. For a work of such magnitude considerable preparatory work was of course needed before actual boring operations could be begun; but I am very pleased to be able to state that, at the invitation of the contractors, I fired the first blast in the actual tunnel on the 5th May last, so that the work of providing this long-looked for connection between Canterbury and the West Coast is now well under weigh.

RESTORATION OF PARLIAMENTARY BUILDINGS.

The destruction by fire of Parliament Buildings necessitates their replacement, and honourable members will be asked to decide as to the site. When this has been done the requisite proposals will be submitted in the Public Works Statement. It is erroneous for any one to suppose that the policy of not insuring the public buildings of the Dominion is an unwise one. On the contrary, I am of the opinion that as a matter of business it is the cheapest, and consequently the wisest. In the light of experience it can easily be shown that the cost of the premiums would amount to far more than the aggregate amount of losses that have occurred, or may be expected to occur in the future. As for the suggestion which has been made in some quarters that they might with advantage be insured by the State Department, it will, I think, be clear to honourable members that to put one hand into one Government pocket to pay for the insurance of public buildings, and the other hand into the other Government pocket to take the money out in the event of fire, would be a delusive method of making provision for losses by fire.

INDUSTRIAL MATTERS.

I need not remind honourable members of the difficulties that have been experienced in connection with the carrying out of the industrial conciliation and arbitration system of the Dominion. Though the Act has been the subject of considerable criticism, it is, I think, beyond all question that it has conferred distinct benefits both upon the employers and the employees. It has enabled uniformity of procedure to be adopted by the manufacturers and mercantile community throughout the Dominion, preserving them against the unfair competition of any unprincipled employer who might desire to adopt the system of undercutting or sweating so as to gain an advantage over his competitor, and it has assured to the workers a fairness of wages, hours and conditions of employment that has greatly improved their conditions. Those who remember the position in New Zealand anterior to this law being upon the statute-book can have anything but pleasant memories of the unsatisfactory position in which the workers at that period found themselves. Time brings changes, and what has up to a point been successful machinery has in the light of recent disturbances shown weakness in this direction that requires remedial legislation to try and put matters upon a more satisfactory footing. The matter has been fully considered and my colleague will submit to honourable members the proposals of the Government in this direction. Two objects must be kept before us: to do what is right to the workers and what is just to the employers. If the system of Conciliation and Arbitration is to stand we must insure that the awards of the Arbitration Court are respected by both sides. If we cannot achieve this, then inevitably the Acts must be repealed. I should much regret to see the latter course followed, and I am sure that the country