BIOGRAPHY

of

SIR JOSEPH WARD

by

R. A. Loughnan

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POLITICAL BIOGRAPHY

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THE REMARKABLE LIFE STORY

— of —

SIR JOSEPH WARD

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40 Years a Liberal

By R. A. Loughnan

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Foreword

One of the most striking things in the history of the British Empire is the Evolution of Statesmanship in the Oversea Dominions of that Empire: That Evolution began in the days of the pioneers, who won by their achievements in all these Dominions, the united admiration of the civilised world. Visitors are never tired of expressing their amazement at the order, good government and material up-to-date progress they find established firmly in the short period of colonisation.

These pioneers were not content with their victory over the wilderness. They found themselves obliged, like all victors in all the periods of history, to consolidate their gains. The chief instrument of that consolidation was the autonomy of their countries. Insisting on their autonomy, they established Parliamentary and Responsible Government.

In the practice of these, there grew up another class of pioneer—self-reliance had produced self-government. Self-government made this other class of pioneer familiar with the principles of Constitutional Government, and the study of the problems of their growing civilisation and increasing prosperity engrafted statesmanship into their equipment. To the love of the Mother Country, and to the pride in its history, its language, literature and great traditions of freedom brought out by the first pioneers, these new governing men added a strong feeling of patriotism for their new countries. Above all things, they had the vision to foresee the greatness the future had in store for their Dominions; what time the growth of the outside populations will simplify the problem of the Federal Government of the Empire.

It is the first time in the history of the world that such a class of men has appeared. In the gradual strengthening of the Imperial bonds, they have been revealed to the world by Imperial Conferences, and by the part they played, at the head of their Dominions in the Great War, and also in the endeavour to secure peace as the best thing in the aftermath of the war.

During these negotiations, Mr. Hughes, of the Australian Commonwealth, gave striking testimony to their type. He had insisted upon the great principle of "White Australia"—President Wilson, very busy among the peace-makers, asked him if he would insist against a united world of nations. Without hesitation he replied "that is about what it amounts to, Mr. President." Thereupon, M. Clemenceau, "The Tiger," gave emphasis to the matter by a characteristic demonstration of enthusiastic approval of the very proper standpoint of the brave representative of a British Oversea Dominion. This was the attitude every time of all the Dominion representatives. Having proved their sincerity in war, their position was recognised in peace, by the new status given to their Dominions.

It is a world-wide recognition. The first practical proof came with the famous Chanak incident, luminously described in Winston Churchhill's "Aftermath." The danger of war was extreme—the Chanak position held chiefly by British troops with the British fleet behind them in the Marmora, the smaller craft protecting the Straits—while 150,000 veteran Turkish soldiers, flushed with victory over the Greeks in Asia Minor, faced the Allied line, with another 150,000 coming rapidly into support, and "all Islam behind them," as Winston Churchill so picturesquely said.

At the height of the crisis, Mr. Lloyd George sent out his appeal to the Empire—practically an

S.O.S. signal. Australia and New Zealand promptly promised support, and Canada and South Africa were not in doubt. The Turkish menace ceased at once. The spectre of war vanished in a flash.

Asked to write a biography of Sir Joseph Ward, of New Zealand, I realised that, as one of the class of statesmen evolved in the progress of a great Dominion, his career is one of surpassing interest. Another point of interest, less than the above main general point, but still great, is his rise from nothing to the highest position in this Dominion, without academic training or any other influence, entirely by force of effort to seize the career which a Free Constitution leaves free to all.

To trace his career, in fairly full detail of the way in which the new statesmen of the New World of Empire face the problems of their people and solve them, is the aim of the following pages.

Sir Joseph Ward does not stand alone in local and Imperial achievement. His name is one of a long list of men who have by their work attracted the attention and gained the respect of the world. New Zealand contributes to the list, with Grey, Seddon, Atkinson, Vogel, Clifford, Stout, Massey, Coates; Australia sets down Parkes, Hughes, Bruce, Fisher, Barton, Reid; Canada supplies Laurier, Borden; South Africa is well up with Botha and Smuts and others, under different circumstances greatly to their credit and that of the Imperial statesmen who admitted them to the Empire they had made war on, and come, nevertheless, to love and respect.

If this biography helps to the comprehension of a great phenomenon in the development of sound Imperial relations, it will not have been written in vain.

R. A. LOUGHNAN.

Wellington, N.Z., May 24, 1929.

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A POLITICAL BIOGRAPHY

CHAPTER I.

Early Political Confusions

Where was the Liberal Party in the year of Grace 1878? The question was being asked in that year. Thoughtful people were prompted thereto by the speeches of Sir George Grey, in Parliament and outside, more particularly outside, for the ex-Pro-Consul had a great genius for the "stump." It was not the soap box with which the stump is to-day generally associated. Old Sir George did not kill grammar while he was slaughtering his political enemies. Nor did he trample on rhetorical style when he made his enemies his footstool. His "stump" was set up in the best halls, his campaign was conducted in choice language of Saxon simplicity and strength. The current of his oratory flowed in placid warmth, carrying conviction on its smoothly flowing surface, dramatic with outbursts of controlled vibrant emotion, stirring hearers to wild enthusiasm. In his impetuous course he swept the historic past for warning by example; he threw his keen eyes far into the future, peopling the lands of to-morrow with the unborn millions of to-day; he pictured them dwelling happily with justice for their protector, freedom for their birthright, opportunity for their inheritance. His words flowed swiftly through smiling regions basking on the Land of

Plenty, beautiful with vines and fig trees on either hand, with lands everywhere accessible easily to all, but barred firmly against wealthy monopoly and speculative greed. Handsome towns, well built, slumless, were often in his words, and privileges of caste, profession and calling were to him abominable, and for ever to be kept out of the new earth he built as men build "castles in the air," except that he brought to his contemplation of his ideals the determination to make them real.

That determination was his passion; a grand ambition vaulting too vast for sound, necessary preparation, and too high for thought of practical details. Nearly every one that heard him judged him in something of this doubtful fashion. But all saw in his propaganda the pith and marrow of Liberal principles. Admiration followed with Sir George Grey as the chief standard-bearer of Liberalism.

Half a century later there was one solitary answer to the Liberal roll-call in the House of Representatives. It reminded one public writer of the answer of Marshal Ney, commander of the rearguard of the Moscow retreat, which had all "gone west," when asked where was his command: "I am the rearguard." The solitary "Liberal" in the later time was Sir Joseph Ward. He had led the Liberal Party, valiantly; he had commanded it well in its prosperity, he had done his best to keep up its courage in adversity. Men said, commenting on that representative call, "Here is the last of the Liberals," a verdict as false as premature. Recent events have proved that the Liberal Party, by whatever name it may be called, is not a lost rearguard, but a young powerful fighting main force. Also that Sir Joseph Ward is that party's fighting chief. In the eye of imagination bent on the House of Representatives to-day the pictures of the two Liberal chiefs stand over the Prime Minister's seat looking into one another's eyes across a gulf of 50

years. There are portraits of other chiefs, of course —but we are anticipating.

Seddon easily leading—

When Grey was campaigning round the country and vigorously fighting his battle in Parliament, the political thought of the country had declined from the high estate maintained by the pioneers, when they had started to make New Zealand great. Provincialism, as it had developed in the system of provincial government, had by the year 1870 so reduced the ideals of government to a materialism of struggling for loaves and fishes, as to make the Provincial Councils serious dangers to the public welfare. When they were abolished in 1876, materialism did not disappear as was hoped by the successful supporters of the abolition policy; for, unfortunately, in some respects only, another powerful materialistic force had come to the political front. This was the outcome of the great public works and immigration policy, introduced by Sir Julius Vogel in 1869, passed into law in 1870, and at once put into practice. Then the materialism due to the provincial system was increased by the new policy of progress. The general politics of the country were disturbed by the struggles of many districts for railways. With some exaggeration it was said that every member of the House of Representatives "wanted a railway to his own door." To the political demoralisation due to the policy of progress there was added another demoralisation, the demoralisation of speculation stimulated by the temptation of vast areas of land offered at low upsets to men keen enough to see the great addition of land values coming fast in the wake of the railway trains about to run all over the countryside. The founder of the policy had, with creditable foresight, provided against this grave danger. Unfortunately Parliament, carried away by speculative urge, swept the safeguards away. When

the provinces were abolished in 1876 the demoralisation of their log-rolling tactics of attack on the public purse passed away. But the other tendency to materialistic demoralisation from the struggle for railways remained, to the disturbance of the pure political ideas which the pioneers had brought with them for the development of the country.

This danger roused the Liberal spirit that had been deadened by the suddenly developed materialism, and Sir George Grey sprang to the front, holding aloft the Liberal standard. A party of Liberals gathered about him. Stout, Ballance, Bryce were prominent names, and manhood suffrage, known as "one man, one vote," was the most prominent plank of their political platform.

It was a very strenuous party, as was inevitable with the inspiring spirit of its great leader. Politics became very bitter, and there were many desperate struggles. Eventually in 1879 it ousted the Government of the progressive, abolition party, and Grey, after a wonderful campaign through the country, faced Parliament as Prime Minister. He was strongly supported by his Cabinet, with Stout and Ballance the prominent men of mark therein.

Unfortunately the talents which had made Grey a wonderfully successful Governor under the gravest difficulties were not the talents required for holding a representative Government together through its public-spirited course. Consequently the Grey Government collapsed. But it had not laboured in vain. Its successors found themselves forced to "dish the whigs" (in Disraeli's phrase) by adopting the policy of manhood suffrage and getting it through the House on to the Statute Book. They also adopted their educational planks and some others. But they left their policy of taxation reform severely alone.

In fairness to the other side it must be freely, fully and cheerfully admitted that some of its stalwarts had good land policies, and that they

worked hard for them, with sense of obligation to the great body of their fellow countrymen of New Zealand. Chief of them were William Rolleston and Donald Reid. Of the former it cannot be forgotten that he was often called by appreciative friends who knew his fine public history, "the last of the Romans." Students of Roman history who know the story of the younger Cato, the famous champion of lost causes, will understand the depth of the compliment paid to the last superintendent of Canterbury. What his old province thought of him was seen in the great meeting in the Latimer Square of their chief city, at which high eulogies were paid, together with a most handsome presentation, now an heirloom in his family, to the last superintendent, retired by the Abolition Act. If any possibility of doubt on that score remained, the speeches of high eulogy made on that memorable occasion by men of all sides of politics, with the applause of the multitude filling the specially-constructed stand and swarming on the green sward around it, very effectually and very warmly removed it.

Of Donald Reid and William Rolleston it was said in those days by the extreme Conservative people that they ought to be packed into a sack with Ballance and John Mackenzie and Seddon and sunk under the waters of Cook Strait. Our eulogies of the later wider land reform which adopted many of their proposals of limited holdings and deferred payment on easy terms, must not make us forget the great work of these men.

The fact that they, with their chief, Sir Harry Atkinson, judged by Liberal principles, were true Liberals, and were opposed to the men professing Liberal principles as the Liberal Party, shows more clearly than anything else in the history of the country how the causes mentioned above had by this

time had the effect of dividing politics into a strange confusion of political camps. The party lines were drawn finely and followed with heated discussion. But holding of principles common to both made confusion in the dividing elements.

CHAPTER II.

Some Clearance—First Appearance of Ward—His Early Days—His Rapid Rising Municipal and Financial.

In 1884, about four years after the fall of the Grey Government, the great bitterness of the struggle with Grey had subsided, and good work had been done by tacit compromise, not without heated discussion, when another disturbance came to the political atmosphere. A division of parties had come about over a railway policy.

This was the project for uniting the East and West coasts of the South Island by rail. An enthusiastic section urged the instant beginning of this, and a determined section opposed it as extravagant, visionary, ruinous and physically impossible. The support of the Southern population of the South Island was languid, but the cohesion of the middle and Northern peoples, effected by the extension of the original purpose, which was the junction of Christchurch and Hokitika, to an iron line running by the Buller Valley to Nelson, made the South Island support very formidable. The population of the North Island was uniformly hostile, but the advantage of numbers being in those days with the South, the East and West Coast railway became a hot political slogan, and both sides girded themselves for a great struggle. Seeing a chance of defeating the Atkinson Government, which had reigned after Grey, some Liberal champions added their weight to the new railway movement. Sir Julius Vogel, happening to return to New Zealand in a private capacity at the moment, was hailed by the Southerners as a possible leader, by reason of the prestige he had secured with his great policy of immigration and public works. Here was an ideal leader for the

new movement of attack on the Conservatives. He was assured of a seat in Parliament at the first opportunity, and accepted. The opportunity came in the session of 1884. The Atkinson Government was defeated, and appealed to the country.

The new House assembled soon, and there ensued a desperate struggle, in which several Governments came to power for brief periods, until final victory seated the Stout-Vogel Government on the Ministerial benches. The double name showed the effect of the junction of the leading Southern Liberals with the new railway party men. Their chief, Mr. Stout, who had been Grey's Attorney-General, was elected leader. Sir Julius Vogel took the Treasury, and Mr. Ballance, who had been Grey's Treasurer, took office as Minister of Lands. Thus, Sir Julius Vogel, though strongly supported by the new railway men, missed the leadership in the new party. As Colonial Treasurer he took second place to Mr. Stout as Prime Minister. The new party was not quite a Liberal Party. It was a composite party with many strong Liberals in its rank and file. They kept it united. There was a tacit understanding of equality in the leadership, and the Government was given the combined name of Stout-Vogel.

That Government promptly placed the railway policy that had brought it together on the Statute Book, and then set to work with some points of the Liberal policy which the Prime Minister and some of his colleagues represented. But after the attainment of its material object the party had not the elements of stability, and after three years of office fell in 1887, giving place to the Government of Sir Harry Atkinson.

This was after a General Election in which the Prime Minister of the Stout-Vogel Government lost his seat. He was defeated in his Dunedin constituency by the statesman who, as Sir James Allen, has

been continuously in the public eye ever since, making his mark with an energetic, able and useful career.

In this Parliament of 1887 Sir Joseph (then Mr.) Ward was a member. Like its predecessor it was distinguished by the entry of new, young blood into the political field. The Parliament of 1885 presented a galaxy of youth eager and ambitious. Dr. Newman, Andrew Monteath, Oliver Samuel, Scobie Mackenzie, were the chief new seats in that Parliament, and men talked admiringly of them all, hoped high for each, and great was the reputation for oratory which Scobie Mackenzie built up to the surging accompaniment of universal admiration.

Of the Parliament of 1887 the new talent of young blood was contributed by Joseph G. Ward and W. Pember Reeves. They sprang to the front, made their mark from the start, and, unlike their predecessors in general admiration, they both achieved distinction in Cabinet office. The name of Reeves is linked with the industrial arbitration system, of which he was the thoughtful and energetic founder. The number of great things with which the name of Ward is linked is legion. The number, the quality and the wide-reaching character of these was amazing to the student of politics, dazzled as he was by the appearance of each in turn, like a meteor flashing through the political firmament. The stories of them will speak for themselves as the long record develops in these pages. And he is still with us. As he took his seat the other day in the Prime Minister's place in the House of Representatives, we thought of these many services of the past, and felt we had the right to expect large additions of similar useful work before long.

In his first Parliament the future statesman attracted general attention at once. Men were struck by the elegant, supple figure of the young man, his genial face—nature's letter of credit—and

pleasant manner, the spick and span neatness of his dressing. When he spoke, which he soon did, his ringing voice—a clear, melodious tenor—brought added interest.

Who is this bright young man of the jaunty bearing and the lightly-swung stick? The young fellow who flies at high game. This when he startled the House with a most exhaustive speech on the San Francisco mail, a subject beloved of many Postmasters-General, and to be handled only by men who know the postal systems through and through, and can use words weighted with experience, and have a first-hand knowledge of the ships of commerce, of their voyages, speeds, costs, profits, and the things belonging to their charters; and can measure the benefits and bearings of great mail services.

This young chap, so debonair, so full of the joy of life—why does he dive into such a subject, and how does he manage to handle it so well? Of course, no one imagined that a future Postmaster-General, one of the most successful, perhaps the most successful of all, had performed this feat of study and grasp. But that was absolutely the case. The unprophetic imaginative were content to feel astonished, and perhaps a little bored by many details easily flowing in that ringing tenor stream; it preferred to ask, "Who is this precocious young fellow? What does he do? What's his history?"

The answer to that was easy and ready. An Australian born—Melbourne, what time the roar of the Ballarat, of Bendigo, Dunolly, and other great goldfield centres filled the air and the minds of men—he came as a small child with his parents to New Zealand. Southland became his country, when that country, separating from Otago, filled its population with high ideas of self-reliance. This atmosphere the boy breathed while he absorbed reading

and writing and whatever else the public school system at the Bluff had to offer. But he did not stop long at the absorbing, for at the age of thirteen his name appeared among the juniors in the telegraph service, and he was carrying messages, jauntily, in spick and span uniform, about the streets of Invercargill and the Bluff, which, to-day, is Campbelltown.

But he did not remain in that position long. He had breathed the air of self-reliance, and the breathing had become a habit. The ordinary youth does not breathe that air. When he starts in life he does just what is required of him in business, and devotes his spare time to amusement. He acquires experience mechanically, if not unwillingly. Promotion is an affair of routine and years; play is the main object always of his life.

The man who gets on studies his work, masters it, whatever of it is put into his hands, and studies deeply what is beyond, gets hold of the principles, making himself fit for any promotion that may come, and always his desire for betterment is keen. Such are the men who rise in banking, insurance, engineering, law, medicine, journalism—all the professions. Of this kind was young Ward.

Consider his telegraph service. Just a messenger he was, in service. But years after when he had worked his way to the Premiership he delivered a political speech at Winton, where there was no officer capable of wiring it to the Press of the Dominion. But the speech got to the Press the same night of its delivery. Sir Joseph "Morsed" it himself. Now where did he learn to operate the wires? Messengers do not operate. Young Ward must have mastered the practice somehow. Whether he did this as messenger or later when he went into the railway service is immaterial. The point is that he went industriously outside his ordinary duty to help his self-reliant spirit to better work and get higher

advancement. At 20 he started in business as an export merchant. During the seven years between that event and his start as a telegraph messenger he had tried three things. Leaving the telegraph service he went to a merchant's office, and from the merchant's office he made his way into the service of the Railway Department. Thus, when he took to trade on his own account, he had acquired an equipment of knowledge that was useful to him later in all the departments of the Government—Telegraphs, Railways, Postal, Finance, and the rest—that came into his hands. He had made those hands capable by his industry and research. That was the secret of his success with them.

But this is premature. We have reached the time, seven years after his start in life at the early age of 13, when he made up his mind to start on his own account. The spirit of self-reliance tossed aside all dependent positions. He wanted to be master of his fate, captain of his soul. Determined to build his fortune on the lines of his own architecture, he went boldly into business as an export merchant. A small capital of £800 was placed at his disposal by his mother, who believed in the shrewdness of her boy and in his reliability. Success came to his first venture, and very soon he was well established in business. He was steadily and rapidly rising, with vistas opening on all sides for advancement by steady energy, vigilant watching and prudent management.

But this success which would have contented most young men, did not absorb all his energy. The Bluff township, entering the municipal world as the Borough of Campbelltown, sent the call of local government into the heart of the rising young "burgess." The appeal was irresistible, the young burgess was elected councillor; a resolute study quickly made him master all the requirements of local government.

CHAPTER III.

Public Service—Popularity—In Parliament.

At the outset there was a doubt in the little town at the foot of the big Bluff Hill, on the side of the big lagoon in commanding view of the entrance from Foveaux Strait. The latest councillor was under age. What would be the position? The doubt remained a whisper till the youth's 21st birthday. That event dispelled the doubt, and young Ward was free to gratify the ambition of service to his fellow citizens.

The use he made of that freedom amazed the fellow citizens aforesaid—and building on that use the busy young burgess quickly established a solid reputation. Grasping all details of rating, lighting, paving, street formation and dedication, water-supply, he threw great energy into the direction of all the details of municipal government. Money was wanted. The want gave him a chance to show his financial ability, of which he had already given token, young as he was, in the establishment and progressive conduct of his own safely-established business.

Popularity attended these early strivings in the world of municipal usefulness. To his striking exhibition of public spirit he added prowess in the athletic pastimes of the place. In these he showed all-round skill and strength, and the good old sporting instinct. Cricket, football, rowing—he found time for these—winning his way to captaincy in each. Volunteering appealed to him too, and before long behold him captain in the Naval Corps, marching at their head in martial style. Before the public in every capacity, he had listeners and barrackers and admirers, and cups of all kinds came tumbling

into his hands, each representing a fine record. Mayor of the borough, chairman of the Bluff Harbour Board, the holder of every possible captaincy—was there ever a finer record? Out of doors, summer and winter, the observed of all on sea and land; indoor, tributes always to his municipal and business capacity. He could not stop them. His popularity thus completed, the local service became a road for steady advancement in work. With the growing confidence of his fellow citizens, at the age of 25, the reward of his practical leadership and financial ability in municipal affairs came in his election to the Mayoralty of the Campbelltown Borough, and kept him in that high position for five years.

Energy and ambition not being yet satisfied, he entered the circle of the Harbour Board, and soon reached the chairmanship of that important body. And for ten years—we are anticipating, unavoidably—he was, as chairman, associated with the great work of harbour improvement, which has done so much for the Southern port. The experience proved useful to him later on as Postmaster-General, Minister of Commerce and Minister of Railways.

When ambition still urged, with considerable experience of public affairs added to his equipment for public life, he determined to seek admission to Parliament. It was the fateful year 1887, fateful for him, for he easily obtained election, winning the Awarua seat. His principal opponent was Mr. I. W. Bain, a prominent and clever journalist, proprietor of the Southland "Times," with large and honourable experience of public affairs. But the issue was never in doubt. Mr. Ward's municipal career, his business success, his popularity and financial ability, carried him through the election at the top of the poll.

All this came to light in Wellington in answer to the question of "Who is this brisk, fluent young

speaker, so neat, so jaunty, so genial?" When he took his seat, the political atmosphere had cleared completely. It had been cleared to some extent by the work of the Grey Ministry, and the clearance had continued through the subsequent Ministries of Hall, Whitaker and Atkinson, which had followed with some desired Liberal reforms which, after the Grey pressure, could no longer be delayed. Yet grave disturbance by materialism had come—with the Stout-Vogel administration and the West Coast railway.

That disturbance subsided with the final settlement of the railway question, and after that the work of the Stout-Vogel Government had cleared the atmosphere to a fair division between Liberal principles and Conservatism.

The Parliament which was elected in 1887 kept the last Atkinson Government in office, and was destined to still further clear the party issue. It made the difference well defined, and while this was going on in the Legislature, the country came to realise the restored atmosphere, even more clearly than was the case in Parliament.

It was in this condition of things that both parties faced the General Election of 1890. The great maritime strike that year a few months before that appeal to the constituencies had cleared up whatever was left of the political fog. Moreover the times were bad, marked by some unemployment and considerable stagnation. It was really the first great check on its prosperity which the country had suffered since the inauguration 20 years before of the great immigration and public works policy.

The result of the General Election proved that the time had come for separating the corn from the tares. I use the phrase in no spirit of hostility to any political personality or party. A feeling was abroad that this separation involved the doing of

things of mark, the pressing forward from speech to action. Practical politics, it began to be realised, meant the prompt application of programmes at the first opportunity. That this was the general feeling throughout the constituencies, a remarkable incident of the election's contest made very clear to every kind of comprehension. The Liberals had backed their programme with great force, culminating in promised immediate effect for the programme the moment power came into Liberal hands. There was not, and there could not be, any other way for a Liberal Government established by vote of the constituencies.

One of the planks of the Liberal platform was the abolition of the property tax, much hated, and the substitution of a system of taxation with combination of income and land tax. The advocacy of this on every platform throughout the Dominion supplied the chief note of the Liberal campaign.

But in the thick of the propaganda there fell a cold douche. An ambassador from the party headquarters appeared one day in Napier, addressed the Liberal elements of that picturesque city, and strongly advised it of the necessity of waiting for a favourable opportunity before inaugurating the taxation plank of the Liberal programme. It was a difficult plank, said the ambassador, though, of course, quite indispensable. Therefore, Liberals must be prepared after the election victory for some considerable delay in the establishment of this system of taxation on the ruins of the hated and unprincipled property tax. The ambassador quoted Abraham Lincoln's famous warning against "swopping horses when crossing the stream." The surprise of the Napier Liberals on receiving this address was very great, and all the greater because the ambassador was that staunch Liberal, Sir Robert Stout, who was not standing for election. And he had

quoted Mr. Ballance, the Leader of the Opposition, and head of the Liberal Party in Parliament, as of that very opinion.

This warning of the leader's was natural enough. Mr. Ballance had, in his study of the subject, come up against the Property Tax Commissioner, Mr. Sperry, who was a great admirer of that part of Sir Harry Atkinson's policy. Mr. Sperry had assured his anxious inquirers that he had no data such as the discussion of the proposed momentous change of taxation required. That proposal appeared, therefore, to take on a shape something like a leap in the dark. Hence the dispatch of the warning to Napier—in fact to the whole body of the Liberals throughout New Zealand—of the certainty of considerable delay.

But the Liberals in the constituencies wanted no statistics, no data. They wanted the change of taxation. They laughed uproariously at the analogy of the stream and the swopping horses, even condemned the authority on such a subject of Abraham Lincoln, the greatest Liberal who ever got his hands to the reins of power.

That was a great election fact. After the change of Government it was used in the Cabinet with overpowering force by Mr. Ballance's colleagues. The Ward habit—for Ward was then a colleague—of prompt action pulled its weight in that boat.

Thus the Liberal Party faced the election of 1890, which came immediately after the settlement of the maritime strike—a thing greatly to the satisfaction of the party, for it had cleared away the last element of confusion in the political atmosphere.

The result of the election took the country by surprise. The best political tipsters had predicted an Atkinson victory. The result was a veritable landslide, by which the Atkinson party was practically obliterated. The short session, early in 1891,

of Parliament placed the Liberal Party in power under the Premiership of Mr. Ballance. That sagacious leader had recognised the ability of his supporter, Joseph Ward, and acknowledged his proved claim to rank among the staunchest of the Liberals, standing through thick and thin for Liberal principles. Therefore the name of Ward appeared in the gazetted list of the Ballance Cabinet as Postmaster-General and Commissioner of Electric Telegraphs.

His handling of the ocean mail services had given him his particular position in the Cabinet. Thus was the ex-messenger-boy launched, after three years of Parliamentary service, on a Ministerial career. The promotion represented a very rapid rise, and eventually proved to be the foreshadow of great public service, and many vicissitudes.

During his three years of Parliamentary service the young member for Awarua had spoken often, and generally briefly, on many subjects, acquiring a good reputation for ability both as speaker, debater and political thinker, and experience of public affairs. His handling of the ocean mail services has been mentioned above. Another question involving the outer relations of the colony—as New Zealand was then denominated—he touched, was the question of co-operation with Australia in establishing a lighthouse on one of the Auckland Islands for the safer navigation of the Cape Horn route used by both countries. To his question about this subject, he received a very sympathetic answer from the then Minister of Marine. But the Australian Governments—it was before the establishment of the Commonwealth—could not agree to anything, and the matter dropped. The question, however, marked the grasp of higher things taken by the new member.

CHAPTER IV.

In Cabinet as Postmaster-General—Debating Power and Signs of Financial Ability.

The view he had expressed on the Representation Bill in 1887 is noteworthy. Approving of the proposal in that measure to reduce the number of members of the House of Representatives, which was then 93, he gave as one reason the danger of the pressure of large numbers embarrassing Ministers with requests of a financial and other character. The reason looked the sort of academic point natural to a young member. To-day it looks almost like the foreboding of a future Finance Minister of trouble from too many quarters. Events, indeed, have taught us that, from a financial point of view, the fewer members of Parliament there are the less must be the area of financial pressure. In this connection one cannot but think of the protest of the late Mr. Massey on one famous occasion that the financial requests made to him in the year reached an aggregate of twenty millions sterling.

On the question of land tenure the new member declared himself very clearly. Speaking on the second reading of the Land Bill of that year he pronounced in favour of the option between those tenures—freehold for cash, freehold on deferred payment, and perpetual lease; declared for the limitation of holdings, and objected to the use of the auction system. This foreshadowed support for the land policy of the then Liberal Government, and the large reserve of the national estate of the day of his own Premiership.

The new Postmaster-General stepping jauntily into his first Cabinet position very quickly mastered everything necessary for the discharge of its duties. About this there was no difficulty for the young

man who had carried the messages of the Telegraph Department, and had taken the opportunity afforded him by the railway service to achieve familiarity with the Morse code. While mastering the details of various kinds, of the work of postmasters, clerks, messengers, inspectors, relieving officers, and the numerous officers of all ranks, he did not neglect the history of the post office. It was a rather remarkable history, written with brief accuracy in later years by Mr. Robertson in the days of his Under-Secretaryship. The little pamphlet gives very interesting reading of the early days with the strange shifts adopted for keeping Her Majesty's mails going with regularity and dispatch; of curious buildings used for post offices, of mail contractors and mail carriers, of great difficulties by flood and field, of many exigencies of war. It told of the days of developing efficiency, in the later time of constitutional government, when an assured revenue was established, and the efforts of the officials were directed by the traditions and experiences of the great Home institutions at St. Martin le-Grand. This last benefit was largely due to the experience and ability of Sir John Hall, who, before his colonial career as a prominent colonist of the Canterbury Province and statesman of New Zealand, had been a high official at St. Martin's. He had brought with him vast experience of all the ways of the great British postal system, and these he had, on rising in the political world of the colony, applied and directed to the great advantage of the growing post office of his adopted country. To his genius for accuracy and his deep instinct of duty, that institution owed much, and through his spirit of thoroughness a very high tradition of ideal postal work was established. In fact, the post office was one of the successful things done by the pioneers, the aggregate of which is responsible for the general all-round efficiency which competent visitors from other lands are never tired of proclaiming.

When Mr. Ward took up the postal portfolio, the late W. Gray was in charge—an officer well trained in the established colonial regime; and the late Mr. Rose, brought especially from St. Martin's to give that regime the latest developments of the English system, was his principal assistant. Under such leadership the new chief quickly mastered all details. Working with these, his practical mind quickly aimed at improving the organisation, and his habit of broad view and far-sighted thought took to planning for increase of public benefit for the community dependent on the work of the post office. This proved in many years thence to come, the mainspring of his inspiration, and the keynote of his resulting policy as Postmaster-General.

In this first service, at the head of the post office, this distinguishing mark is prominent throughout. It is the double mark of high general aim and accurate detail; the former based on tradition and supported by careful study of the public interest; the latter making accuracy of mechanical work, economy, and unfailing punctuality with generally justice to all concerned in the work, the main objects of his ambition. The reflex of all this is shown in every page of the story of his work at the head of the post office. From first to last the politician retains his hold of statesmanship.

It is right here briefly to review his career as Postmaster-General and Commissioner of Telegraphs. For he held this portfolio often, sowed always wisely, and reaped notable results, which obtained for him wide acknowledgement as the most successful postal administrator of his time.

Everywhere throughout the service the story tells of justice to the officers, liberally treated, given fair appeal in case of grievance, and cheered by a stable system of superannuation.

The spread of the telephone is one of his achievements, which is honoured to-day in the universal acknowledgement of the supremacy of the telephone system over all the telephone systems in the world.

The cheapening of the telegraph owes much to his initiative. This culminated in the establishment of the sixpenny telegram, so much appreciated by the public, and unfortunately discontinued through mistaken ideas of economy on the part of a successor.

But in this, his greatest success, was the establishment, in the face of much expert opposition, of the penny post. This, as he made it, led the world, until the error that destroyed the sixpenny telegram ended it in a moment of blind financial panic.

The world remembers the great agitation for penny postage carried on for many years by Sir Henniker Heaton. That apostle of the penny post had no stronger supporter than Sir Joseph Ward, as a whole literature on the subject abundantly testifies. But where the untiring persistency of the apostle who appealed year in and year out to the comity of nations failed, the supporter, Sir Joseph Ward, succeeded. In his small sphere of work he triumphed over all the difficulties which vanquished his contemporaries. Why? Plainly because they lacked his clearness of vision, his good judgment, his determined strength. If there were no other proof of the soundness of his policy the resumption of it by the successors who also had at first lacked the courage to abide by it, would be sufficient justification.

But there are many other proofs of his ascendency in the postal affairs of the world. In others the world has achieved a unity and mutual understanding which gives hope of similar results to the great body of world opinion which is setting its face against war, and striving to substitute wise reason for the foolish, wicked sword, as

the universal arbiter for men of goodwill. The greatness of the Ward influence in matters postal is recorded in the reports of many international postal conferences held in many great capitals of the world, and upon these is grounded the respect everywhere awarded to Sir Joseph Ward as a great Postmaster-General who has done things of pith and moment.

Of these the first was his renewal in improved terms of the San Francisco mail service, in his first year of Cabinet office. At that early date in his Ministerial career the handling of this contract in the House of Representatives, and his successful defence of every point raised against him by men of knowledge, and experienced in large business, won general admiration for the way in which he had made good his advanced ideas propounded in that celebrated speech of his rank and file days, which had first attracted general admiring attention to his high capacity. The contract was for a two-weekly mail service between New Zealand and Great Britain at 11s. a lb. of matter carried, with universal letter rate of 2½d. a half ounce; with time to New York 20 days, and New Zealand to London 42 days homeward and 45 days outward. With our eyes on the improved communications of to-day we must admit that the contract which marked the beginning of the Ward postal career on September 15, 1891, was not a bad one.

The first sign of financial ability, and grasp of financial principles, was given by the member for Awarua in the speech he made in support of the Ballance Budget of 1892. It was an admirable debating speech, in which full reply was given on every point made by the Opposition speaker. Fluent, kindly in tone for the most part, with modesty becoming a young politician, and repeatedly showing evidence of thought and study, this speech made a deep impression on the House. It was made in a great full-dress

debate, of which there were many in those days. They were all great battles, in which the Liberal Government and its supporters had to fight for their lives. Their speakers took up the Liberal line definitely drawn for the first time in Parliamentary history. The assaults from the Conservative side were very able, very determined, and there was much individual bitterness. Inevitably the clear issue was raised, and of course hotly debated. How hotly may be gauged by the effect of a phrase in a speech of Mr. W. P. Reeves, in which the large land-holders were referred to as "social pests." The epithet made a tremendous disturbance in the political pool, and that disturbance never fully subsided. Of a like complexion was the accusation of a class leaning made by the member for Awarua against the other side in his characterisation of their general policy. When levelled at such men as Sir Harry Atkinson, the Hon. W. Rolleston—who was assailed in this way in the above speech of the member for Awarua—there was much indignation. In reality, of course, the charge made against them and some others, who could be mentioned, was not so much one of class bias as of being on the wrong side of politics. This came to be realised in the calmer moments succeeding the great storms of debate.

Be that as it may, this particular speech of the member for Awarua established him as the best financial authority on his side after Mr. Ballance, and no one was astonished when, in the next session—the first after Mr. Ballance's death—he was invited to take office in the Seddon Ministry as Colonial Treasurer.

CHAPTER V.

Adherence to Principles and Promises—Difficulties in Formation of the Seddon Ministry—Its Formation —Ward Treasurer—First Ward Budget.

It may be added that when the hesitation indicated by the election message to the Napier Liberals in 1890 showed itself in the first days of the Ballance Cabinet, the members of that Cabinet lost no time in putting an end to it. The colleagues spoke freely to the Prime Minister. They were not deterred by any analogy of swopping horses while crossing a flooded stream. "You have promised," they said to their chief, "in words of clear meaning, to abolish a tax system as contrary to good sound economic principle, as it is unpopular. You are bound to observe that promise promptly and fully." They added to this the warning that if the promise of change were not kept, the Liberal Government might possibly stay in office during the three years of the Parliament of the day, but that certainly they would at the expiration of the term be, like predecessor Governments, snuffed out, never perhaps to be heard of again.

Now Cabinet secrets are Cabinet secrets. But it can be said without fear of too much contradiction, that the leaders of the movement inside the Cabinet were Seddon and Ward. That was probably, it is a fair guess, the reason for Ward's selection in the following year for the finance portfolio of the Seddon Ministry. At all events they had made nothing of the statement of Mr. Sperry, the tax commissioner, that there were no statistics to guide the Treasury as to the possible yield of the proposed new taxation. "We don't want statistics," they said, in effect. "We want the change of system." Taxation systems, they recognised, are not made

for the statistics, but the statistics are made for the systems—and by them.

In making the change in taxation, Mr. Ballance had, through some oversight probably, included improvements in landed property in the graduated land tax, which ostensibly was intended to encourage the making of improvements. In other words, the full use of the land by the landholders. He had always declared that he did not object to big estates as such; so long as the land was put to full use he did not care how big the estates were. In this he always, of course, reserved the case of a great demand for land in short supply thereof, in which case he felt that subdivision might have to be compulsory.

With this, however, his Budget extending graduated taxation to improvements was inconsistent. On this inconsistency of taxing improvements to encourage production, the Opposition fastened with an avidity that might have been expected. Sir George Grey, who was proving himself a very candid friend of the Liberal Government, was very severe and insistent in his condemnation. He even got a friendly Auckland member, Mr. Shera, to propose an amendment, with a strong family likeness to a no-confidence motion. This likeness produced a closing of the Liberal ranks, in which there was feeling that their chief could not submit to hostile dictation in such a matter. The amendment was defeated, and Sir George openly repudiated Mr. Shera, declaring that he had ruined the case by foolish conduct. In the following year Mr. Ballance gave way to the pressure of his colleagues, and his Budget provided for all improvements an exemption of £3,000 from the scope of graduation. This enabled Mr. Ward to make a great point in his speech defending the Budget in the debate on that measure, and that he was able to give completeness to the fine defence which agreeably surprised his colleagues and excited general admiration.

The gazetting of the Seddon Government seemed to chronicle a case of smooth-working machinery, the automatic restoration of a Government broken by the demise of its chief. On Saturday, April 29, 1893, the chief lay in the customary state, with flowers about him and visiting friends circulating in grief around him. The burial was set for the next day at Wanganui, the dead statesman's home town, and announcement was made in the evening paper that Mr. Seddon, the Acting-Premier, had been "sent for" by the Governor—Lord Glasgow—and was to obey the call at four in the evening of the day after the funeral—Monday, May 1. The gazetting of the new Government, with Mr. Seddon as Prime Minister, on that Monday afternoon, was universally regarded as practically an accomplished fact.

But the business was not as smooth as it looked. The sign of a dangerous schism in the dissolved Cabinet was seen by one or two observers. In fact, these had word from authentic sources that some of his colleagues had declared their unwillingness to accept Mr. Seddon as Prime Minister, even in face of the undoubted fact of the Governor's summons to the Acting-Leader of the old Cabinet. Mr. Ward was one of those who stood by the Premier-designate, just as he had stood with him in the insistence that reason and public opinion were insistently calling for the prompt performance of the Liberal promise of taxation reform made during the election which had put the Liberal Party into power.

On this greater occasion the Seddon-Ward combination was again successful. The situation was complicated. Mr. Seddon was determined to form a Cabinet and present it to his Excellency; the malcontents, in deference to the expressed wish of Mr. Ballance, wanted Sir Robert Stout as Premier, and Sir Robert was not a member of Parliament at the time, nor did it seem likely that a vacancy could be

made for him by a convenient resignation. Time pressing, the difficulty was got over by a compromise, following the lines of maritime practice. The captain dies at sea, the first mate, taking command, brings the ship into port, where the owners appoint a captain to the permanent command. In this parallel, Mr. Ballance had died in command of the ship of State, Seddon, as Acting-Premier, would bring her into port, where the owners—the Liberal Parliamentary Party—would decide the question of the command. The course of events followed this line: the Government was formed under Mr. Seddon and gazetted; Mr. Seddon carried on till Parliament met in the following June. Sir Robert Stout had got into Parliament in the interval, but the Liberal caucus elected Mr. Seddon to the Premiership. Thus was the unity of the victorious Liberal Party preserved before the eyes of an unsuspecting public. That the union continued through a long period, glorious in the eyes of at least all Liberals, is matter of history.

At the outset of the new Government, Sir Robert Stout, who had taken his seat as member for Inangahua, did not, as a member of the Liberal Party, get on very well under the Seddon Premiership, and gradually came to open opposition, without, of course, joining the Conservative Opposition in the House. There ensued between the two men a considerable breach, beyond the powers of mutual friends to heal. In the third year of that Parliament—the first Parliament of the Seddon regime—some light was thrown on this breach and its consequences by Mr. McKenzie (Minister of Lands), who informed the House that a suggestion had been made to him to resign from the Cabinet, with a view to forming a Cabinet under the Premiership of Sir Robert Stout, with Mr. Ward as Colonial Treasurer. Mr. Ward on that occasion told the House how he had been approached with the same suggestion.

Both Ministers turned the suggestion down, both out of loyalty to their chief, R. J. Seddon. The story shows how great was the prestige Sir Robert enjoyed in the Colony, and the great reputation Mr. Ward had made for himself as a capable financier, fit to conduct the affairs of a responsible position, and administer the most difficult of all the portfolios of State. The appointment of Sir Robert some years later to the Chief Justiceship of the Colony proved that whatever difference of political opinion there might be, it had little effect on personal relations.

The above settlement by compromise was the cause of a dramatic incident unique in the history of Cabinets. The editor of the "New Zealand Times" —the Government newspaper—had heard of the disagreement about the Premiership. When he saw the gazetting of the new Government under Mr. Seddon, he had not heard how the trouble had been got over and concluded that no remedy had been arranged. To supply the want of it, he composed a leading article on the practical lines above set out as the actual settlement. Making his way, against all precedent (eluding the Secretary), into the Cabinet room, where the new Cabinet was having its first meeting, he was confronted by a set of amazed and rather angry faces. Without losing a moment he produced his article, and, after hasty apology for the intrusion, asked permission to read it, as it dealt with the situation very closely. Permission accorded, the article was read. Perplexity departed from the assembled faces. Reaching out his hand for the article the new Premier made a small, quite unimportant correction, said he thought the article, thus amended, would do very well, moved approval of it, and the article, duly approved, appeared in the next morning's issue of the "Times," and thus, when Sir Robert Stout secured a conveniently vacated seat

in the House of Representatives, both candidates were placed on level terms.

There was a good muster, full galleries and a full House. Curiosity was all round, and the eager expectancy of friends was obvious. The Treasurer's Budget style was new to them all. His ringing voice did not pour out a spate of words—earnest, tumultuous, and to the reporters, very difficult—in fact, in some ways a terror to them. That was the style to which the House and galleries had grown accustomed and were expecting. The ringing voice satisfied expectation, but it was the voice of a reader. As the reading went on in the still air, friends began to feel the realisation of expectation, and the political enemy—there was no other—gave increasing tribute of respect. In their minds there was no tincture of the criticism striking at youthful pertness in playing with things too heavy for his lifting power. In accuracy and solid thought he was treading in the steps of Atkinson. In reasoned optimism—the financial guidance of young countries bound for greatness—he matched Vogel, with whom he shared the gift of long sight and widely glancing care. Where did he get that financial manner? Whence that gift of seeing the superb spirits of the financial world behind the doors of this secret Cabinet? How did he mix the rose paint through which he saw things afar off, and even made the bulk of his world see them, too?

All these things were there before all eyes on that fateful night—fateful because it was the turning point of a career far enough from the germ for experienced observers to recognise; far short of the "wizardry" of legend, but very real and convincing proof of the new world the young man had entered, comporting himself as one who, knowing how to handle the big things about him, meant to stay

there long, defying time and all other enemies. I mean, of course, that language and pose and ease of manner suggested one born with the silver spoon of exchequer chancellors in his mouth. This young member who had never served apprenticeship such as is usually served in the House! It was noteworthy. Silence deepened as he talked in tones ringing pleasantly. Admiration was born, willing as well as unwilling, and began to grow steadily. The crammed galleries listened with quiet pleasure to the steady-going reader.

CHAPTER VI.

His Budget Manner—the Bank Crisis, 1894.

Ha! That reading? Is it right, after all, to read? Certainly reading conveys accurate knowledge in few words, or may do, and the words are not always few. Tradition tells, on the other hand, of feats of oratoric finance; Gladstone, for example, reading nothing but the complicated Budget figures, and necessary extracts, going on for the rest in fluency unprepared, rising to thunder of denunciation, falling to whispered persuasion, yet gilding the pale streams of fact with wonderful alchemy, holding attention rapt for many hours!

But exchequer chancellors are not all great masters of the word. Some, it is recorded, who were not Gladstones, have been soporific, nodding with Homeric privilege, bestowing on their audience the sleep of the just man bored. In the Australian chambers the financiers speak their budgets, but no sign has come from their halls of the beginning of any tradition of oratory like the Gladstonian. When all cannot be Gladstones, all can give of the reading that suggests sound thought and sane accuracy of immediate knowledge. Moreover, when the financial highflyer does "stunts"—as Gladstone did on a famous occasion when he converted the common grey, harmless, necessary figures of a tremendous and complicated tariff into a raging extempore pyrotechnic display—the thing is dangerous. And, after all, a Budget is a solid thing.

On the whole, then, give us the read word. But let it be done with ease, fluency and pleasantness of expression. This condition the young Treasurer fulfilled on that first launching into the mysterious world of figures, skirting the shoal of "High

Finance." As Ballance, his predecessor, had done it, and Atkinson had done it strongly; also Vogel, who had practised the art warmly. But the Ward voice was better than any of theirs, and he was heard with pleasure. I do not say with more pleasure than their hearers enjoyed, but he did give pleasure. But for him, by reason of his age and the slightness of his experience, there was the unique addition of astonishment.

He opened with a graceful reference to his predecessor and chief, Mr. Ballance—as "one of the ablest of our public men—one whose whole career bore testimony to the fact that he was devoted, heart and soul, to the furtherance of his country's welfare."

Then he stepped lightly among the figures of the Budget proper—marshalled the revenue of £4,449,000, touched the opposite line of expenditure, flicked out the modest net surplus of £290,000. His predecessor had also announced a surplus, which had the honour of being the first to break a long series of deficits, but was less than the £290,000 of 1893.

Moreover, this surplus had come in a dull financial period, with the new taxation to reckon with, the taxation that, on account of the dull time, had made many minds hesitate. The House, knowing these things, heard with gratification this newcomer into our world of Budgets. "Silence was pleased," as the poet sang on a famous occasion.

The gratification was not so great as it would have been had the surplus been unknown before the Budget speech. It had been the custom before Mr. Ward's time to keep the final balance of the year a dead secret. There was the fear of a bad balance—a thing to be concealed as long as possible—and desire in case of a good one to enjoy the element of surprise in the moment of delivery. Hence the last quarterly statement of the Consolidated Fund, and

the last of the financial year, were invariably kept back till the Financial Statement had been delivered. Ward broke the custom, with characteristic courage, let the Fourth Gazette publication appear at the due date, telling the world at the earliest possible moment how the finances of the year had come out. He deprived his Budget of the fruits of surprise, but was satisfied that he had done the right thing. On that initiation the right thing has always been done since.

One smiles on reading these figures. The contrast between that four million of revenue with that total account volume of nine millions, and the 20 million record of thirty years later, with a volume of fifty millions and over, is a certain smile-raiser. With the 38 million Public Debt aggregate of that first Ward Budget the smile broadens, the movement impelled by to-day's formidable total of over two hundred and twenty millions. Are we downhearted? The broadening smile is reassuring answer. Heads were shaken then, and heads are shaken now, in fear mostly mild, and chiefly conventional. But Sir Joseph's head did not join in the shaking then, and does not now. The tone of his reference then was the tone of a chronicler of understanding, and to-day, to judge by his recent financial proposal, the understanding is equal to the occasion; likewise the courage. The voice may not ring through the Chamber as it rang of old, but there is no other difference.

The most important of the facts in this first statement was the Government purchase of the Cheviot Estate, the precursor, in point of fact, the main encouragement supporter, of the Land Resumption policy inaugurated later by the Liberal Government with Sir John Mackenzie holding the portfolio of Lands. The sum mentioned in the Budget was £304,000. The magnitude of this, of course, attracted considerable attention. Some of the wise men

of the Opposition had denounced the purchase, inviting the country to shed tears over the fate of the settlers who would be ruined by settlement on these lands. One cunning sworder inquired after the delivery of the Budget—by sacred right of question in the House—for the authority under which the payment, noted in the Budget for the acquisition of the estate, had been made. He thought he had discovered a grave irregularity. There were whispers about the flouting of Parliament and the foreshadow of a fierce attack on the Government began to loom unpleasantly near. The Treasurer simply referred this formidable-looking question to the Act of Parliament in which the payment was authorised. That ended the anti-Cheviot agitation, and very soon after, all doubts of the success of the Cheviot settlement were set at rest by the success of the settlers.

The rest of that Budget was brisk and workmanlike, but it contained nothing new. Nor did it give sign of the Ward initiative and constructive power—that was to come later—and in a real shape it came, as this history will duly relate.

The first great task came in the following year, 1894. A commission had been set up to examine the affairs of the Bank of New Zealand, and report to Parliament. The Bank had fallen upon evil days. There was much disquieting talk throughout the country. That talk was given sinister point by the disaster which had overtaken many Australian banks. When they had come to the hour of reckoning the New Zealand Treasurer had been in Australia on a business visit. He had returned with a strong conviction that these banks should have been rescued by Government help, with pledge of the public credit. He had said freely that if similar disaster should threaten in New Zealand, the Government ought to do everything in its power to avert it. He

stood for the principle "salus populi, suprema lex"—proclaiming that the safety of the Commonwealth came before all laws and regulations, traditions and practices. Great emergencies can, he implied, only be met by great measures untrammelled by precedents. At the same time, he made no secret of his opinion that many Australian banks were doomed. The declaration of this opinion coincided with the sinister rumours concerning the Bank of New Zealand. Before the commission of investigation into the affairs of that bank reported, public interest rose to fever heat. Its report was tabled in the Legislative Council on the afternoon of June 29, both Houses of Parliament being occupied with ordinary sessional business. By this time the public mind had been worked up to the belief that the bank was on the verge of a tremendous disaster. A tremor vibrated through the financial circles. What followed the tabling of the report was told by the "New Zealand Times" of June 30.

"A cloud descends upon both Houses at an early stage. One of the ragged edges strikes the Council, sending a cold shiver through the august atmosphere. It comes after the commission's report has been laid on the table, after Sir Patrick Buckley has made warm, characteristic explanation, after Sir George Whitmore has given notice of a motion of exoneration, sympathy and support, after the Order Paper has been cleared. The Attorney-General, on adjourning, calls the Council back for eight. He is impressive, mysterious, brief. 'They will meet in another place,' he says, 'at half-past seven.' The ragged edge of the cloud is upon the Council.

"The members, on emerging after adjournment, find the whole cloud has descended. Its darkness is deepened by mysterious rumours. It covers the Cabinet deep in consultation in their innermost recess, debating in whispers; it gives sudden promi-

nence to various figures of well-known politicians, who are said by Rumour to have fled aghast when asked hurried questions, with their fingers in their ears, crying out: 'Never ask me! For pity's sake, refrain!' The cloud is pierced by fitful gleams falling on famous financial institutions, which come and go in the sudden luridness. Gradually, as the afternoon wears on, one of these remains and round it centres all the gossip, all the rumour, all the guesswork, all the moralising power that is to be found about the Parliamentary precincts. Reinforcements come in at intervals, and as they come they jostle against hurrying pressmen making for the telegraph office. In a few moments the cloud with the ragged edges will envelop New Zealand, stretched north, south, east and west by the flying messages of these eager journalists."

"The Parliamentary precincts are alive with a hum of comments, some right, some wrong; some clever, some stupid. State banks, millions, paper currencies, bullion, bimetallism, guarantees—all whirl by in a farrago of excited talk. So goes the time outside.

"The House is spending the afternoon regardless, putting a peck of Labour Bills through various stages, minding neither cloud overhead nor possible volcanoes below the feet. They fiddled easily with these things of every day while the cloud and the rumours burned outside.

"In the midst of this the Treasurer rose, with the ragged cloud about him, and attended by all the rumours and noises of the street.

"The House is all attention—silent as the grave. The Treasurer gives notice of a Bill for half-past seven, to be put through all its stages. It is a matter of emergency, before which Standing Orders wither away."

CHAPTER VII.

The Crisis Handled—Scenes of Panic—Two More Budgets—Criticism and Replies.

"An important Bill for half-past seven! Only that, and nothing more!

"The House adjourns. The members go out, eager. The galleries empty with feverish rapidity. Talk of coins and currencies, banks and booms, passes round in a torrent of gossip, throwing up the foam of financial omniscience as of wizards of finance."

The fall of night finds the galleries full of fluttering humanity; every member in his place. The tension grows—the all-important Bill is not ready. The tension increases.

The Minister appeals to the impatient with the plea for a delay of half an hour or so to enable members to read the Bill when it does emerge from the printer. The plea has a soothing effect. The half hour goes by quickly; the Bill is in evidence everywhere.

The Treasurer rises. He is greeted with a sigh of relief. The Standing Orders are suspended, the way is clear, at half-past eight the Treasurer moves the second reading of the fateful Bill, getting a great reception.

"He plunges," says the "New Zealand Times," "straight into his subject. No hesitation, no diplomacy, no hedging. The speech is of a man who knows the grave importance of his subject, and has made up his mind what to do and what to say. He says it cogently, emphatically, rapidly. It is a perfect spate of words all bearing on the point, carrying the subject along upon a flood of reasons. Past all the landmarks he goes, past the confidential officer of the bank with his letter, past the terrible

responsibilities of the matter, past the gravity of the situation, without a break, past the terribly wide ramifications of the enormous business of the bank, on which he pauses to bring out the details—a scientific pause it is—as he hurries along again to see the resources of the bank, assets, liabilities, balances, necessities. He assures the House of the imperative necessity of the case. He warns the House that delay will be fatal—and he has done." This sketch impressively gives us the manner of the Treasurer's speech.

To realise the matter of it one must read the Hansard report of it. Then one sees that it was a great speech, worthy of a great occasion. It began by urging the gravity of the occasion, stressing the need for immediately giving the struggling bank a State guarantee of two millions. This not merely for safeguarding its position—that would not free it from its grave difficulties—but also for giving it further capital to improve that position.

The help must be adequate, the Treasurer insisted; a control must be established to prevent a recurrence of such disaster, and the help must not involve any danger of calling on the taxpayer at any stage. The lines of this were firmly sketched. The numerous accounts of the bank, the wide reach of its transactions followed, showing the scope of the ruin sure to follow on the bank's collapse—and all the hearers remembered that without help to-day the bank's doors would close to-morrow—and this thrilling procession of facts was closed with the statement of the large sum of Government moneys —aggregating two millions—in the hands of the bank, all in deadly peril.

This completed the appeal to the State to do its plain duty to a vast body of interests vital to its safety. An appeal of stern facts, marshalled with masterly skill, supported by outline of measures protecting the taxpayer from any danger or loss.

The climax led up to so carefully and convincingly came in the reading of the urgent letter of "a banker of 45 years' standing, 30 of them in New Zealand." The name was not given, but no one had any doubt of the identity. The letter was brief. It was in four paragraphs:—

(1) The occasion is one of the gravest public concern.

(2) By the means proposed I am absolutely convinced that the State will not lose one penny, but will, on the contrary, avert general loss to itself as well as to the community.

(3) By this means the banking affairs of this country will be placed on a greatly improved footing for the future.

(4) If the Government finally decides to go on with the measure it should be put through to-day.

This was the letter often referred to—in the strenuous days that followed in discussing the legislative and financial safeguards of the policy adopted —"as a pistol held to the head of the Government." But whatever it may be called, the letter was a correct summary of the dreadful position. The Treasurer's comment, in his peroration, is the best answer. "We are," he said, "proposing a bold course, a strong course, the only possible course."

The Leader of the Opposition, Captain Russell, followed, and with a fine touch of responsibility and grave commonsense. He would like more information. He feared taxation as the result of this. A committee would be the right thing. But he trusts the Government. He prefers the responsibility of two millions to the responsibility of causing a great public disaster.

Breathless attention of the crowded House and galleries followed all this. It accompanied the

few speakers, who all supported the measure, some, with Sir Robert Stout, emphatically repudiating the previous suggestion of Captain Russell for a committee. The Bill, the Standing Orders having been suspended, passed through all stages.

The Council gave it similar reception, with speeches in some cases longer and with deeper financial inquiry. They were the very kind of speeches to be expected from a Chamber whose position is mainly of revision, preserving due respect to the decision of the representatives of the people. In this tremendous crisis, the Council was true to its constitutional type.

A strong contingent from the Lower House was in the gallery watching the proceedings with interest, quickened by an uneasy feeling that the Council might turn the Bill down. The fear, of course, proved groundless, but the average of its speeches that night greatly raised the respect of the representative chamber and of the public, for that much-criticised institution, the Legislative Council.

The night had reached the small hours when the Bill had gone through all stages in the Council, and received promptly the assent of his Excellency the Governor. Thus in one memorable day was the greatest crisis in the financial history of New Zealand dealt with. One of the consequences of that day's storm and strife was increased reputation for the Colonial Treasurer. All men agreed that he had risen well to the occasion, with development of considerable financial ability. The Cabinet, as, of course, all knew, had made the momentous decision and formulated the measure in what may be called record time. But all knew also that Mr. Ward held the finance portfolio, and must be regarded as the leader in the great episode.

During this and the following year much attention was given by the Government and Legislature to

the affairs of the Bank of New Zealand, with the help of leading financial experts working on committees. Many details were the outcome, and the famous "Globo Assets" institution was established for nursing the assets the bank had acquired as securities, to final successful realisation. In all these proceedings the Treasurer took a prominent part. And it is right to add that the Prime Minister, the Hon. R. J. Seddon, took a strong part, greatly to the astonishment of many men of financial leading, whom he amazed by his grasp of the matters of business under consideration.

There are disputes to-day as to whether the Government might not have averted the great crisis of 1894, in some other way than it did. But in the dealing with accomplished facts academic alternatives that might have been have no place. The facts are that the legislation that helped the bank has proved strikingly successful, and so far from costing the taxpayer a penny, has saved him much by (1) giving him an income of something approaching half a million of taxation, and (2) a substantial share in the profits annually made by the Bank of New Zealand.

For Sir Joseph Ward there emerges from this collection of facts the fact that this was the first of the schemes he was responsible for as Treasurer in which he promised reasonable prospect of success without costing the taxpayer a single penny. Nor is it the only successful promise he has made of that kind. Therefore, when he accompanies any great financial scheme of his with that promise, he is entitled to whatever credit may belong to past performances. He has, in fact, a reputation that rests on a solid basis of fact.

The Budgets of these years naturally claim first notice in the course of this political biography. The financial statement of the first of these years begins with a declaration somewhat remarkable of purpose.

"It is the duty of the Treasurer," writes Mr. Ward, "to state clearly, concisely and accurately what our position really is." This is not, as might at first sight be supposed, a reflection on any of his predecessors in office. Circumstances of the time lead to the conclusion that the Treasurer was answering criticism of his own methods. There was plenty of it, and we frequently, in the records of the time, find him referring to it, answering it often, and not seldom complaining of its unfairness. We know that by this time it had been intimated that he had manufactured surpluses by manipulating estimates. It seems that a long course of unfavourable balances had reduced some politicians of narrow intelligence to the belief that no Treasurer could produce a balance without in some way "cooking" his figures. If criticisms of this kind are not to be noticed it is difficult to understand what drew from the Treasurer of 1894 this singular and apparently quite uncalled for declaration. Nobody expects the manager of a financial institution to open his annual report with the statement that he is not, and has never been, a burglar.

If a Colonial Treasurer finds reason for declaring for honest account of his stewardship, we must look for the motive in the records of the criticism directed against him. It is easy to accuse a Treasurer of manufacturing a surplus, especially when revenues boom when they had been expected to slump. It is an easy way of scoring. We can only sympathise with a Treasurer who feels himself forced to defend his position against assertions supported by wrong reading of facts and figures. In the history of New Zealand, a young country growing rapidly towards greatness, there must be what the doctors call "growing pains." Now one of these "growing pains" is a booming revenue which defies all the estimates of all financiers and students of

politics. The growing pain is thus manifested, even in times of "slumps." It is a sign of the vitality of the infant. Some critics mistake it as a proclamation of the dishonesty of the infant's man of business—the Colonial Treasurer. Their criticisms at the best, and also at the worst, are just pinpricks. Whether Mr. Ward was right in answering these pinpricks of 1894 may be an open question. But he has a right to our sympathy when the pins stick in his skin.

CHAPTER VIII.

Surplus and More Budgets—"Advances to Settlers."

The statement of 1894 opened with another surplus—£550,000, of which £250,000 had been placed to credit in the Public Works Fund. It was a second record of such a transfer in the Ward treasurership; the second of a long series of surpluses and their distribution and investment. On the expenditure side of the account there was a saving of £74,000. The year being a bad one, the saving was creditable. But the betterment of revenue by £106,000 (also in a bad year) was a help toward the saving. It is further worthy of note that the "unauthorised" was this year kept down to £11,000—a clear sign that the administration was working toward economy.

The Budget of 1895 contained an announcement of the establishment of the Department of Industries and Commerce, which has since borne testimony to the soundness of the Ward judgment. It touched also on the settlement of the land, announcing the addition of 2,539 holdings under the various systems in force.

In other matters of settlement, some remarks in the Financial Statement of the year are noteworthy. "No Government," said the Treasurer, "would be doing its duty were it to display any apathy in prosecuting in every legitimate direction the settlement of the country. It has often been said, and I shall be excused for saying it again, that from the land the wealth of the Colony must come. Hence it is to the land that we must look for the creation of further wealth, and for the provision of additional employment and homes for the numbers of people who are being yearly added to our population. We are constantly brought face to

face with the problem of providing land on which to settle our yeomen."

That Sir Joseph is still very much alive to this question of settling the land, as he has been all through his career, his last election manifesto reminds us.

This Budget added another surplus to the list, of £430,000, including the now usual diversion of £250,000 to the Public Works Fund.

It disclosed the raising of a 3 per cent. loan in London, realising £94 8s. 9d., in favourable contrast to recent Australian issues of 3½ per cent. bearing loans. Simply, it was the record of the most successful loan issue in the Australasian loan record.

In the same year (1894) the young Treasurer did another great financial feat in Parliament. He devised and carried through the Advances to Settlers Act. It was a great feat of Parliamentary work. Had his handling of the Bank legislation exhausted his energy and initiative, leaving him gasping with fatigue, no one would have been surprised. Therefore, when he tackled another great and complicated problem with no less vigour and financial ability. there was general amazement; especially as he had also borne the burden of the annual Budget.

The germ of this policy, as also of the policy of the Agricultural Department, is to be found in a phrase once used by John McKenzie in a speech about the settlement of the land. He had seen the difficulties under which the crofters of his native Scotland maintained a harsh existence, and had witnessed the evictions which made that existence precarious. When fighting to enter the Parliament of his adopted country he made a point of the imperative need for the settlement on the land on conditions of justice, with security of tenure and certainty of making a decent living, without deterioration of the land. Coming to power, he found his colleagues of the Liberal Government very fully with him in

these ideas of settlement. The supporters of that Government, both in Parliament and outside, right through the constituencies, were in close sympathy. There was much enthusiasm when the Liberals came to power, but the general talk showed but little practical realisation of the nature of the problem of the land. It was to men of that sort, urging and insisting on "settlement, more settlement, and again settlement," that the stalwart Minister used the phrase, germ of the "Advances" policy.

"It's all very well to talk," said he, "of lands, but you must understand one thing. You can't settle the land by taking a man into the field, turning him round three times, and saying, 'Now be a settler.' " He meant that the man must have help, material and technical, by way of knowledge of farming and of money for the application of that knowledge. The phrase, representing the mind of the whole Liberal Cabinet, contained, we now see, the germ of the "Advances" policy—and also, it must be added, of the Agricultural Department. The Land Minister gave his attention to organising the Agricultural Department of technical knowledge, while the Treasurer thought out a plan for finding the money for its application to the best advantage.

The Treasurer, Mr. Ward, used his full brain, and the power of his position, to review the experience of the world and the aspirations of the students of the universal agricultural problem. Having reviewed, and considered, he made his plan, laid it before his colleagues in Cabinet, discussed it with them, got it into practical legislative shape, and duly brought it before Parliament. This was not the haste that works in flashes with rash proposals. It was thoroughness which deserved success. Thirty-three years have passed since the memorable day of the presentment of the scheme of "Advances to Settlers" to Parliament, and everyone of those years

has proved that the scheme has attained that success in a very striking manner. The moneys raised now aggregate many millions, and the administration of them in the business of helping the people for whose help the scheme was designed, brings steady substantial profit to the State. There are losses. Everything human has its uncertainties, its ups and downs. But the losses are so much less than the profits made, recorded, and safely invested, that they are negligible.

In presenting this scheme to Parliament for its acceptance the Treasurer repeated the promise made in the case of the Bank legislation, that the taxpayer would never have to pay a penny. It was his second promise to that effect. It is a great thing to be able to say, with the full weight of open, fair, and competent accounting, that both promises have been made good so well that the taxpayer, so far from having to pay anything, has made, and is making, steady profits on the use of the public credit. What can we say, but that this scheme of "Advances" is proof of the financial ability and statesmanship of its author?

There are critics who declare that the constant reference to the taxpayer is monotonous and stale. It would be all that and worse if the reference were never made good. But the critics forget that the references are always made good. Monotony becomes an essential virtue, and staleness is better than the freshness of the illusive policy of an elusive demagogue.

The speech of the Treasurer, introducing this measure, was not so vivid as that which presented the Banking legislation, nor was the day of its presentation so exciting. All the dramatic attributes of the earlier day were wanting in the second. The first provided a sensational feat of rescue; the second a feat of calm, strong construction, such as one sees

when the foundation stone of some great construction is well and truly laid.

The Treasurer began by drawing on his knowledge of the world's position with regard to this agricultural and settlement problem; knowledge the result of special study for the purpose of the measure before the House. In the world outside there were, he said, many schemes afoot, and many in the proposal stage—the credit financier, State Banks, issue of paper money, and so forth, and so forth. All he condemned as, in his opinion, "unable to obtain for the Colony the great advantages which would certainly follow the flowing into it of money to be utilised by settlers at a low rate of interest."

"The first essential," he proceeded to say, "to the successful introduction of money into the Colony is to give all assurance to those from whom it is obtained that their loan is safe." This important point was provided for, he added, under the proposal. He did so, as we now know, with truth.

For the means, the sinews of war, "the Government proposed to ask the House to assent to legislation authorising the raising in London of a sum not exceeding £1,500,000 a year, to be advanced to settlers in the Colony on freehold security," and "we propose that 3½ Inscribed Stock be issued from time to time to provide the requisite amount. It may not follow that, in the course of a year, the whole amount will be raised for the proposed advance."

Here it is impossible to resist saying that, if some of the critics who fell upon Sir Joseph's policy as set forth in his last election manifesto, had refreshed their memories by reading that introductory speech of the now well-proved Advances policy, they might have written with more justice. They might have been saved by the force of analogy from the misfortune of misunderstanding.

"After careful consideration," the Treasurer continued, "it seems to me to be infinitely the best plan to obtain the money directly on behalf of the Colony, and for the Colony to hold the securities against the advances that may be made. The greatest good will, in this way, be conferred on those requiring money at low rates of interest."

As to the control of the moneys, the speech made it very clear that thought had been bestowed on the establishment of good, effective business control, to secure safety of the advances, with practically certain periodical payment of interest and stated instalments of principal. There would be under this scheme no stepping in of voters to the Treasury precincts to help themselves to whatever sums they liked. A board would be the controller, and he made it clear that it would be an expert board, with men well tried and well reputed. He took the opportunity, at the same time, of showing that extreme strictness of administration would not strangle the system. A suggestion, for instance, had been made by some timid pedants, that 50 per cent. of the hypothetical value should be the limit of advance. This the Treasurer scouted as sure to "neutralise any general good the scheme was introduced to effect."

CHAPTER IX.

"Advances" Bill—Claims for Its First Suggestion —Ward's Position Unassailable.

This liberality in the judgment of advanceable value was much criticised at the time, as a wild venture into the dangerous unknown. Time and the board have settled that point well and truly.

The measure did not get the quick passage through the unanimous Parliament accorded to its predecessor of the momentous financial crisis. It was beset by opposition in Parliament and ridicule outside. The various obstacles in its road need not be noticed in detail. That necessity is obviated by the greatly successful history of three and thirty years—a whole generation. Friends regretted that the measure did not approach, or it did not reach, the establishment of a State Bank. Thus, they averred, the State failed to get the full measure of banking profits, at the head of which they placed the highly profitable business, as they called it, of Exchange. The enemies declared that the measure would turn the State into a vast pawnshop, run haphazard on the "borrow and scatter" principle—a forerunner of the "Borrow, Boom, Bust" slogan which hailed the Ward election manifesto of 1928. The forerunner has been buried by the wheels of success, as men now forgotten were buried under the famous car of Juggernaut. Sir Joseph Ward's supporters have some reason to regard this as a favourable precedent.

To borrow the simile of the car—the Act in the beginning had some difficulty in starting. A good many anxious applicants were kept out of the desired advance longer than suited their financial convenience. The storm of criticism rose to blizzard height; of course. The Treasurer's reply was strong

enough to increase the public regard for the new measure for helping the settlers with the public credit without endangering the taxpayer's pocket. It was a simple statement of the difficulty of finding expert valuers for the guidance of the work of advances. The delay being evidence of financial prudence keeping with determination on the sound lines set out in the Treasurer's explanation, the support for the pawnship theory faded away.

It reminds us of Masefield's ballad of "Cape Horn Gospel," in which the ghost of a dead and buried seaman got back to his ship at night, and

> "Sodjered about decks till sunrise,
> When a rooster in the hencoop crowed,
> When like so much smoke he faded,
> And like so much smoke he goed."

The years of the Cabinet work of the opponents who replaced the Cabinet of the Liberal Party have added a strong fact of corroborative detail. They have used the Advances with thoroughness of practical sympathy, increased its moneys, enlarged its scope, made use of its well-devised machinery of control, and claimed for their work the confidence of the nation on the ground of successful prudential care of the public interest. They have given the existing proof-touch to the financial scheme devised by Sir Joseph Ward a generation ago. Worked by him through many years in the Seddon and Ward Ministries and through the years of his service in the War Coalition Government, who can deny that man's claim to confidence as a statesman planning measures for the public benefit, and establishing them on foundations well and truly laid.

The Advances to Settlers makes a landmark in Parliament record for 1894. It is more—it is one of the great landmarks in the New Zealand story of systematic, efficient Government; if not the greatest on the material side of things. Mr. Ward brought

down the scheme cut and dried in a Bill for Parliament to pass, and explained it in a speech, simple and businesslike. He began by a reference to the first Credit Financier of history, told how Frederic the Great of Prussia established that system in 1770, under circumstances similar to those ruling in New Zealand at the date of the introduction of this Bill. Interest was high, prices of produce were low, farm lands were out of favour with investors of capital, and the difficulty of renewing mortgages was very serious. To remedy this state of things was an imperative necessity. The King devised the Credit Financier to help the languishing industry of agriculture, and started it with a sum of £45,000. The benefits to the Prussian farmer were so great that in a few years every State of Germany had established a similar system. A century later the system, which had been introduced into France, was recorded to have advanced to farmers an aggregate of between eight and nine millions sterling, with perfect safety to the State.

Fortified by these examples, Mr. Ward had devised his Advances scheme—to find capital for the producers of this country on mortgages at a low rate of interest, on a valuation of their lands, with periodical payment of that interest and repayments of a portion of the principal, with payment of the whole spread thus over a long period of years. In fixing the amount to be advanced he was very much bolder than the predecessors he had quoted. He asked for the raising of a million and a-half a year.

He had found the principle in history. He proposed an application of it in a much simpler manner, with an extension of the amount which caused all previous efforts to pale into insignificance. The proposition looked incredibly dangerous and bold, judging by the amount of the money provided. But

really that amount emphatically proved the soundness of a courage inspired by the safety of the principle. Having, in his search for the way out of a strangling difficulty, found that way out, he asked Parliament to take it without hesitation or limitation. It was the very thing to be expected from a financial leader worthy of the name.

This scheme, introduced by Mr. Ward in 1895, we all know. Most of us, if not all, speak of it as a great scheme. We know also that it was much opposed. But that is by no means rare. The unknown and unexpected makes always a startling commotion in the political atmosphere. Sometimes its fate, following the old proverb, is to be regarded as magnificent. Often it strikes terror. The latter is generally the case in the political world. Our classical example is the reception accorded Sir Julius Vogel's great scheme of immigration and public works, which fell like a bolt out of the blue. The House was hushed, and out of the silence came these words of W. Reader Wood, esteemed a very wise politician in his day:—

> Mr. Wood "desired to state that he had listened with very patient attention to the Financial Statement of the Colonial Treasurer, and he might say that in all his experience he had never heard of a scheme so wild, so unpractical and so impracticable, as the scheme the honourable gentleman had detailed to them."

"And Brutus is an honourable man," many men commented—so he was. And, moreover, Mr. Wood was one of the great orators of Parliament in his day.

But what do all men say to-day of the great scheme which is the father of the National Debt and the wonderful national progress of the 58 years intervening? What they are saying is not in agreement with Mr. Reader Wood, whose vitriolic diatribe

is completely forgotten, dead and buried most honourably in the monumental pages of Hansard.

Such also is the fate of the arguments flung at the Advances to Settlers—with one exception. These diatribes were resurrected from their graves promptly, in the shape of eulogies recently bowing before fundamental truth.

More than that—in this year (1903) of Sir Joseph's Acting-Premiership, there was a rush of people falling over one another claiming the credit for the first suggestion of the scheme. As the first advocates for "cheap money" two estimable enterprising gentlemen—Messrs. Fantham, of Hawera, and Newlynn, of Christchurch—actually claimed substantial consideration from Parliament for that great public service. They had (from many causes not necessary to mention) quite a number of supporters. Their petitions were referred to the proper committee, which, after long and patient hearing, recommended favourable consideration, and presented their report.

This report occupied the House for a whole afternoon, with a most interesting and protracted debate, occasionally bitter, often sarcastic, and, in places, glowing. The said debate "talked" the strange topic "out," as the phrase goes in Parliamentary procedure.

The debate was not confined to the cases of the two gentlemen, who had written each a letter to a newspaper, and had done much propaganda of a sort, which had worried editors with a keen sense of nuisance—and of these the present writer was one who still feels a staggering memory of his feelings toward the persistent advocate of "cheap money." One of these, by the way, the House was informed in the debate by an old Parliamentarian, had had his sketchy suggestion blown to pieces by that master fighter, Sir Harry Atkinson.

Another reminded the House of a more solid effort by Mr. J. Macandrew, the great superintendent of Otago, famous for his criticism of the "Maelstrom of Colonial finance." He quoted in outline the Bill of the southern champion of "cheap money"—which he had actually described as for "Advances to Settlers." The House was duly impressed when all other members described the sketchy nature of this Bill, and without safeguards or working plan, so to speak, and duly grinned at the member's description of the wild hilarity with which the Bill had been denounced by Messrs. Stout, Scobie, McKenzie, Dr. Newman and others. That Bill of Macandrew's was read a second time, only seven years ago, but in that short time it had been completely forgotten, as the prolonged stare and sharp interjections of many members plainly indicated. And a broad, ironic smile went round the House when the hon. member—it was George Fisher—wound up his description of levity with the statement that the only member of the Government then in the House who had voted against that second reading was Mr. Seddon.

There was an interjection, sharp and clear, with a sub-note of glee—"circumstances alter cases." But Mr. Fisher was not caring for circumstances. He was stating facts, and did not mind whom they might affect, or how.

But the expected roar died as it came. The chief circumstances were too well understood—the Bill was a mere suggestion, and Mr. Seddon was the Premier of the Government which had passed the Advances Act through Parliament, so fashioned that it had moved on to great success.

Another claimant for the initiative put forward by friends in that debate was W. Warburton, the then Auditor-General. He had given a scheme to Mr. Ballance, which the Liberal Leader had, before

his death, been considering with his Cabinet. The object of this was, of course, to try and prove that Mr. Ward was not the originator of the scheme he had put through the House so brilliantly, and launched into the successful course now the admiration of all.

CHAPTER X.

A Noteable Tariff Bill—the Telephone and Principle.

Sir Joseph had no difficulty in showing that he had, of course, seen the Warburton scheme, and had never approved it—his own scheme being totally different. Of course, he disclaimed the invention of the idea of cheap money for settlers, etc., that had been, we all know, an aspiration of many statesmen for many years. Sir Joseph's claim was that he took the principle, shaped a scheme for it, after much study and figuring, and launched it with striking success on a great national scale. This most of the speakers in that curious debate of 1903 recognised fairly well. After that debate Sir Joseph's claim to the credit of the great legislative achievement has never been questioned. If any doubt remained it has been dispelled by the policy with which succeeding Governments have worked the scheme. The principle of applying the Public Credit for the good of the producer has been raised by Sir Joseph Ward's successful handling above the broil of party politics.

The present writer may be excused for adding a personal note. One of the two papers that published the Warburton scheme submitted to Mr. Ballance was the "New Zealand Times," then edited by the present writer. He heard Mr. Ward declare his disapproval of the same, and when the Ward scheme was brought before Parliament, he heard the friends of the Warburton scheme declaring that the Ward scheme was different, and condemning it for that reason.

In the year 1896 another Budget with surplus pleased the country, with another heavy contribution to the Public Works Fund.

The year before was remarkable for a Customs Tariff Act, which, if it did nothing else, certainly showed the difficulty of getting a tariff measure through the House of Representatives. It is a feeling of industrial and commercial pulses, which reveals them going at fever rates. No Tariff Bill has ever pleased everybody. This one of 1895 was certainly no exception in this particular. It, at all events, enabled the Treasurer to show the strength of his grasp of the tariff position, a strength visibly maintained through years of office, culminating in his attitude to the Imperial preferential policy of later years. It was a regulation reinforced by commercial treaties with Canada and South Africa concluded in the period 1893-6.

The tariff of 1895 gave the House of Representatives a very strenuous time. It was more a revenue than a protective tariff, and for that reason found no enthusiasm in the country. Inasmuch as it freed something of the necessaries of life, it was beneficial. The Treasurer and his chief certainly handled the measure well, managing to secure most of the tariff policy of the Government. Between them they did a work of many hours, undergoing an amazing test of endurance, with tact and convincing power. There had been similar experience during Sir Harry Atkinson's last tenure of office. On that occasion several Liberals (then being the Opposition), rallying to the support of the Government measure, enabled the Government to carry it through in the teeth of the Free Trader members of the Government party. In their own attempt at tariff adjustment, they maintained the position they had established against all party precedent, renewing their acquaintance with tariff ramifications. In this the Treasurer incidentally added to his reputation as one with a wide commercial experience. In this he was helped by his establishment of the

Department of Industries and Commerce, which has, during the succeeding years, proved its usefulness and beneficent character.

Finance is the fruitful mother of delicate situations unfit for the rush of inexperienced feet. These find irresistible temptation in such rushing, which is not by any means rare, is, in fact, attractive to politicians who have less knowledge than desire to get a blow at governments. For instance, as a matter of fact, the charge of doing danger to the public credit is always latent, and sometimes explodes with a crash in the political air. Sir Joseph has had, during his financial leadership of the country, like other Finance Ministers, to face this kind of attack.

A notable case occurred in 1895, when he collected the Land Tax some three months before the collection was, according to custom, due. The explosion came swift and purple; with some support from grumbling taxpayers. In the case of these the incidental growling, being inevitable, cut no ice. But the charge that the Treasurer's conduct had impressed, or was likely to impress, London with the idea that the Colony was in danger of repudiating its obligations there, was of quite different character. Made by men who had shown some aptitude for finance, it was too formidable to be ignored. The Treasurer met it promptly, vigorously, and convincingly, showing that he had made, by his handling of the Imperial guaranteed debentures—amounting to £800,000—ample provision for any unforeseen crisis that might arise to the detriment of the Colony's financial arrangements. And he followed this up by quoting from an interview which had appeared in the "British Australian," which had been used against him by his critics, adding some corroboration from the editor of the journal about the plain meaning of what he had said. And again the ghost of criticism faded like any smoke.

As to the premature collection of the tax aforesaid, his explanation of the reason as due to a prevalent distaste for the too frequent recourse to Treasury bills left nothing to be desired.

In the year after the establishment of the Advances policy, much pressure was put on the Government to make the Act more elastic. But the Treasurer successfully resisted, on the ground that there must be no lowering of the standard of value. He spoke quite rightly from the point of view of the public creditor, declaring emphatically that he could do nothing to impair the creditor's confidence in the value of his security. It is quite true that the lenders' security was the Government, which held the securities on which the loan moneys were advanced. But it was also true and quite obvious that if the Government gave way to pressure, no matter how well meant, by lowering the value of the securities, the Government's finance might easily be burdened with overwhelming weight. In which case, of course, the lenders would have just cause for alarm. This was a reminder that the Advances system is a business, not a political system, that it had been established expressly on a business basis, and that the Government would honour the Treasurer's promise to keep it a proper business institution, obeying the laws of sound business, protecting the taxpayer from all possibility of money liabilities.

In view of the criticism freely and widely made of the Government assumption of responsibility in matters of business, that reminder was timely, as well as necessary. In a business that has grown to huge proportions, and is growing larger every year, there must be strong defence against the theory that the voters in a democracy have the power to wreck the State by their individual selfishness. To this stark necessity Sir Joseph Ward has in every one

of the large financial transactions of his public policy been keenly alive. Indeed, he is a great contrast to the "Kleon" type of demagogue, who promises everything and prepares for nothing. The Greek demagogue ruined Athens. It is not too much to say that the policy of the New Zealand statesman is largely helping in the making of New Zealand.

Similar firmness was shown in the Treasurer's refusal to lower the telephone charges. This reduction by 50 per cent. was asked for by an iron merchant, on account of the reduction in the price of wire. "He knew all about wire," he told the House. So did the Treasurer. He, however, knew something more. He knew that the cost of wire was by no means the only cost, that other costs were likely to rise, that the New Zealand telephone system, even in those days, was the cheapest and most efficient telephone system in the world—as, indeed, it is to-day, thanks in due measure to his own share in its organisation and the search he always urged on his officers for the best there is of inventive and systematic arrangement in the world. The demand of the man who knew all about wire did not move the Commissioner of Telegraphs in 1895.

The Standing Orders were amended for the first time since the inception of Parliamentary Government in New Zealand. The reform was long due, but the difficulty of moving Parliamentary conservatism of procedure is notorious. A procedure that began for safeguarding free speech in the Parliament of the nation against the tyranny of despotic authority had degenerated into a safeguard of obstruction by minorities. Some notorious stonewalls and many obvious obstructive combinations having convinced Parliament—the outer world required no further conviction—of the necessity for reform, the Standing Orders were amended in 1895, under the leader-

ship of the Speaker, Sir W. I. Steward, who knew his Standing Orders perfectly. The reform effected diminished the power of obstruction, and saved some of the time of the House. Mr. Ward, taking a hand in the debate, welcomed the improvement which assured the Government of one day in the week for uninterrupted work on Government business. What a revelation of the power obstruction had reached!

Under this head it is evident that further reform is needed. Also, though the reform established a time limit, too much time is wasted in useless repetition, and unnecessary talk. Of late years a stricter interpretation of the Standing Orders has done some good curbing work. But with the yearly increase in the business of Parliament, some addition to the restraining power in the conduct of the business of Parliament is necessary. In this respect some of Sir Joseph Ward's friends hope that he will enlarge the views about restraint that he supported in 1895. The support of a Prime Minister counts for much.

An Act for relieving harbour boards of their disability in the matter of overdrafts properly safeguarded, a protest against the insistence of the cable companies on the use of their own codes, the establishment of an Appeal Board for the telegraph and postal service, and grants to small dairy farmers and fruitgrowers, are among the Ward services in the years 1893-6.

CHAPTER XI.

"Land Bonds," Then and Now—Eclipse—Return—Knighthood—Constitutional Methods versus Revolutionary—Return to Cabinet.

The issue of land bonds was an alternative proposal made in the Treasurer's speech on the second reading of the Advances to Settlers Act in 1894. The financing was to be done either by land bonds or, as in the financing of Public Debt, by the issue of Inscribed Stock. The matter needs a reference because of the statement of Sir Joseph Ward of his preference, some years later, for the issue of land bonds for buying land for the returned soldiers. The reference may also have a useful bearing on the policy announced in Sir Joseph's election manifesto of 1928. In the above-mentioned speech, moving the second reading of the Advances to Settlers Bill of 1894, Sir Joseph said he preferred to finance by the issue of land bonds, as a "practical move more in accord with the financial condition of the Colony," bonds, that is, issued against special mortgages forwarded in ordinary course to England. "I may say," the Hansard report said, "that apart from being handed to the people from whom the money is obtained, or sold upon the market in the ordinary way, I would point out another advantage which the system has. In the first place, it would be a better stock, in my opinion, than even the stock of the Colony would be, and would be more readily sought after than the stock of the Colony would be. It would be earmarked by the particular security on which it was advanced, and then it would be an improving security, because from year to year the value of the security would be increasing to the holder or the buyer by the accession of the 1 per cent. provided to be paid half-yearly. And in addi-

tion to that, the Colony would be at the back of the whole concern. So that, while it would be a negotiable security for anyone to hand about the market in England, it would, in addition, have the amount of the security included in the land bond, the guarantee of the State at the back of it, and from year to year the holder of it would know that his security was being improved by the payment of 1 per cent. to the assurance fund. Moreover, I believe that if this system is adopted, the Colony may readily transmit its interest in the form of these land bonds. There is nothing to prevent £1,500,000 of land bonds being sent away to meet interest in England. That is an additional advantage to which I attach considerable importance."

During the session of 1896, misfortune in his business affairs falling suddenly athwart his very prosperous and vigorous life, stopped his political career, bringing about resignation of office and retirement from Parliament. His place then knew him no more for three years. There were people who thought it would never know him again. Southern folk, who had given him every proof of confidence in their power, received him with open arms, their trust in him easily succouring business misfortune and holding him against a flood of misunderstanding. With them stood many others.

* * *

Taking leave of the House, he held his head high. "I am not despondent," he said. "I shall face my troubles hopefully and with courage, and with the determination to be some day again actively associated with those among whom I have so long shared the toils of Ministerial life in the interests of our country."

To this resolve he proved true. Drawing together his resources and energies, feeling sure that time would end all misunderstandings, grateful

for the support of many friends, he worked with all his energy, courage and business aptitude. Fortune favoured him.

Time, facts, and friends removed the weight of misunderstanding that had in the first hours of his disaster lain heavily on his shoulders, and in shorter time than his most sanguine friends hoped, he was free of his troubles. Feeling the call of political life, and hearing the urge of his friends to return to it, he determined to seek the support of his old constituents. Awarua opening its gates, he re-entered public life, and was back, as he had determined, in three years, amongst those with whom he had shared the task of Ministerial work, "for our country." In the speech opening the session of 1900, the Governor announced that he had called him to his counsels. The call emphatically indicated the appointment of a man of unimpaired honour.

Further testimony was the knighthood that came to Sir Joseph Ward among the New Year Honours of 1901.

The investiture by the Duke of York—to-day King George V.—was made at Government House, Wellington, on June 18, 1901, during the Royal tour of that year. It was one of five investitures:—

Lord Ranfurly, Governor, G.C.M.G.

The Hon. J. Mackenzie, late Minister of Lands, K.C.M.G.

The Hon. J. G. Ward, Postmaster-General, K.C.M.G.

The Hon. W. C. Walker, Minister of Education, C.M.G.

Colonel Gudgeon, Resident Raratonga, C.M.G.

There was a large and distinguished company in the ballroom, including many friends of those about to be honoured.

First, the King's Proclamation, authorising his son to "confer the honours of Knighthood on illus-

trious subjects," was read by Sir John Anderson, of the Duke's suite. Then, on Sir John's invitation, Lord Ranfurly, in court dress, walking between his supporters, Lord Wenlock and Sir Arthur Biggs, and preceded by Viscount Crichton carrying the insignia of the Order on a crimson cushion, moved up the ballroom to the dais, where he knelt before the Duke. The latter, in the admiral's uniform he had worn through the procession after landing in the city, bending forward, placed the broad ribbon of the Order round Lord Ranfurly's neck, touched his shoulders lightly with a sword, raised him up and shook hands with him. The newly-made Grand Cross then retired with his supporters, walking backwards with stately ceremony, and received congratulations from the large company.

Mr. Ward's investiture followed on similar lines. He was in court dress. His supporters were Sir Robert Stout, in the robes of his office, and Sir John Anderson, in court dress, and getting to the dais presently received the accolade, rose up Sir Joseph Ward, and retired to the congratulations of many friends.

The others went through similar ceremonies, with the exception of Sir John Mackenzie, who was absent through illness, the serious illness which, a few months later, proved fatal.

In the session of 1901 news reached here of the murderous attack by an anarchist on President McKinley, of U.S.A., to which he ultimately succumbed. Parliament was asked to offer condolence to Mrs. McKinley and the American people, and express detestation of the crime. In the House of Representatives the Prime Minister moved the following resolution, which was, of course, passed unanimously:—

"That this House desires to express its detestation and horror at the diabolical, wicked and unprovoked attempt made to take the life of the worthy

and revered President of the United States; and desires to extend to Mrs. McKinley, the relatives of the President, and the American people, its warm and sincere sympathy, and further shares with all people sorrow and grief that a man could be found who, without cause or provocation, should attempt to take the life of a good and great man."

During the brief debate that followed, a member said a few words about the unsatisfactory conditions under American government, which was causing discontent. This brought Sir Joseph Ward to his feet with a protest. "I rose," he said, "for the purpose of saying that while the great troubles between Capital and Labour in those countries require redress, as we all realise, and justly so, I should not care for one moment for it to be supposed that in this young and fair country of ours any of us believe the method adopted by these violent and misguided men can in the slightest possible degree help them to obtain the condition of affairs they strive for. Who can justify the diabolical crime that recently was committed when the King of Italy was sent to his long rest? Who can justify the crime that was committed by those cowardly people when the Empress of Austria was stricken down? Who can justify the crime when the Tsar of Russia was struck at by the brutal assassin? Who can justify the intended crime of assassination levelled only some months since at the King of the Empire to which we belong. I venture to say that the conditions of life in these countries will never be ameliorated by the efforts of anarchists, or those misguided people who take the view that they can obtain the redress of their grievances by resorting to base, indefensible practices. By murdering the heads of countries they create loathing and opposition from many who would gladly help to improve the social structure for the betterment of the masses."

He agreed with Captain Russell, who had said that these malcontents were not striking against any form of government. They wanted to abolish all civilised government, so that something might evolve out of the ruins.

The incident showed how careful Sir Joseph was of the good name of his country and ready always to protect it from misunderstanding.

Returning to the Cabinet in 1899, Mr. Ward breathed again the air of freedom—freedom of every sort—personal, political, business. His elastic spirit sprang back into its old activity; his energy got into its old form; his high spirit rose to its old courage and determination in facing knotty problems. He took office as Postmaster-General and Commissioner of Telegraphs, and Minister of Electric Telegraphs. Also, he took up again the portfolio of Industries and Commerce.

He did not step back into the Treasury, perhaps to the surprise of friends who had watched his career, and taken note of his financial ability. But the chief held that portfolio and was doing good work with it. The South African War had added to the responsibilities; it was a legitimate case for the rule of not swopping horses in the middle of the stream.

Moreover, the old age pensions had just been established, and they added much to the Treasurer's responsibilities. The Treasurer, Mr. Seddon, had carried that great measure to establishment, and as Treasurer he must be responsible as having swept away the financial arguments of timid opponents. He had been prudent in fixing the amount of the pension. So prudent, indeed, that scoffing opponents predicted that all the pensions would in brief time

drive him out of office with the certainty of unsatisfied hunger. The response, on the contrary, had been very warm in New Zealand, and had risen to great heights of enthusiasm. The fact revealed how desperate had been the anxiety of old age in face of unprovided years looming every day nearer.

CHAPTER XII.

Seddon's Old Age Pension Scheme—Ward, Minister of Railways—His Ideas of State Railway Management —Reasoned Defence of the Railway System.

It was one of the most pathetic revelations of our time. As such, it so justified the pension system introduced that all objections ceased, and the care of old age became the common property of all political parties. Thus Mr. Seddon, all men saw, had cleared the way for greater and better things. The hard battle he had fought for what cynics derided as a mean provision, made possible the wide extension of humanitarian benefits devised by the next Treasurer, Sir Joseph Ward, which has created a sphere of content in the Dominion, of a value beyond any power of estimation.

Mr. Seddon having started the Pensions of Old Age with prudence, properly kept the responsibility of meeting the obligations. He therefore remained at the Treasury.

Mr. Ward (to be Sir Joseph in a few months), however, did not suffer for want of scope for his vast energies. In addition to the offices above mentioned, he took up the great Railway portfolio, and plunged into the intricacies of railway affairs with a brave heart and a clear head. So doing, he kept both eyes open—fixing one on the travelling and trading public, without losing sight of the weight carried on the railway account by the taxpayers, and the other on the personnel he relied on for efficient and cheerful working of the railway system.

It was very soon seen that the new Railway Minister did not take political views of his work, and that the said work he understood very well. Petitioners who wanted things discovered that their side of a question was not the only side. They found

that the Minister knew that other side, and in the discussion of the two, preserved a balance strictly according to "bedrock realities" and "brass tacks" —considerations without disturbance from political aspirations or vague theories of probable greatness.

He did not want the railways to pay all charges, recognising that the development brought by railways requires time for the return of profits. At the same time he held with those of the same view, that the railways must pay something more than their expenses, some fair margin of profit. Roughly speaking, he arranged for a profit of about 3 per cent., leaving the balance of the overhead charges to be paid from the Consolidated Revenue. Of course, this policy was the policy of the Cabinet, as it had perforce been the policy of previous Cabinets. Sir Joseph administered it with great ability in the light of his experience of business and his commercial aims, shaped by much work. It is clear, at the same time, that he believed in this policy, and was a very able exponent of it.

His other eye of observation, bent on the personnel and its rights and needs, searched for knowledge and information from the first. He wanted a personnel efficient and contented, knowing well that without the second no personnel could be the first. In playing that combination hand, his best trump card, he felt from the start of his railway connection, related to the future. Superannuation, good and adequate, after inevitable retirement, was his ace of trumps. The exigencies of the game required him to hold that ace for some time. He had to wait until a favourable combination of circumstances should enable the formation of a sound scheme, holding within itself some strong guarantee of permanence. Considering how this might be secured, he found himself hampered in a manner unusual for him. In his desire to play his best trump card, made

possible by the success of the great old age pension scheme, he found himself pressed by a chorus from all sides to go on. Innumerable questions beset him, on record in newspapers, and urgings made to him to plunge forward at once. But he would have none but a strong scheme, grounded firmly enough to withstand all attacks of time, and he had the courage to hold his hand until such time as he could play his card with effect. There were whispers that this hesitation was the weakness of a dreamer, not the courage of a champion, who fights through obstacles to victory. Undeterred, knowing how hard and earnestly he was seeking for the right kind of scheme for his ideas, he kept on his way, pursuing all possible lines of inquiry, and prevailed at last with great satisfaction to the State in general and everybody concerned in particular. This success came, of course, later. Early in the year in question, he was far from that success, but his mind was firmly set on it. He saw clearly that a breakdown of such prudential planning must bring misery to thousands. Therefore did he refuse to plunge until he was ready.

Such was the temper of the Minister who took up the railway burden so soon after the Railway Commissioners had laid it down. Their retirement was not made by the Legislature on personal grounds. They had some very good service. Traffic maintenance, ration of expenses to revenue—in all these their established record was good. But Parliament decided, after the experience of several years of the Commissioner system, that direct control through a member of Cabinet featured a better principle. The change was effected smoothly, and good results have been forthcoming ever since it was made. For the start of these, the able Ward management is entitled to full credit. That he made a fine record at the head of the railways no one, either in or out of the service, doubts.

Criticism of the railway management is a hardy annual of the political garden. When the trains began to supersede the bullock drays they were "too slow." There were men who said they could walk quicker; when the trains became fairly numerous, they were "tin-pot" affairs. To this there could be no reply. Every man who, taking up a stray engineering paper, was struck by the account of something he had never heard of, wrote to the nearest paper denouncing the railway management and the Railway Minister, because they had not installed the new thing on the rails or in the workshops. But the invariable answer to such complaints was that the railway officers had tried the new thing and had not adopted it because they had seen its defects. This kind of thing was frequent because this kind of wisdom never learns anything. The invariable defeat of the amateur reformer, however, revealed that the very capable manager, Mr. Ronayne, who was appointed when Mr. Seddon took over the railways from the Commissioners, kept the eyes of his staff systematically sweeping the world of technical inventions, with the result that the staff was kept fairly up-to-date. As a matter of fact, many new inventions and new practical ideas did come regularly into the ambit of the railways. For example, the tablet system and the Westinghouse brake, both of which were introduced under the Ward control of the railway. To these two things we owe a great deal of the safe running for which the New Zealand railway system is conspicuous.

The manner in which Sir Joseph met the habitual belittling criticism levelled at the railway system in the first days of his Ministerial charge of it, is worth noting. The record of it is in the Financial Statement of 1902. Sir Joseph was not Colonial Treasurer at the time. He was Acting Prime Minister during Mr. Seddon's absence at the King's Coronation, and had also to do the work of

the Treasury, of which his chief held the portfolio.

"I desire to offer a few remarks concerning that great national asset, the railways. People have become so accustomed to the daily running of the railway system of the Colony that very few take the trouble to institute a comparison between the present means of locomotion and those which existed prior to the establishment of the railway service. The enormous indirect value of our railways is not appreciated to the full. I have been at some pains to ascertain what was the cost by road and by rail of the conveyance of passengers and goods at two different periods, viz., 1875 and 1897. The information I have obtained shows that rates now ruling for road carriage in those portions of the Colony not yet served by railway vary but little from the rates ruling for road conveyance in the early days of the Colony, and they are still from twice to three times as high as the existing railway rates for similar distances.

"In 1875 passenger rates were, for 66 miles by road, £1; by rail for the same distance, and between the same points, they are now only 5s. 7d. The road rates in this case were thus 258 per cent. greater than by rail. If similar road rates were now charged on railways, the charges to passengers for using our railways would be £1,002,229, and if goods were charged £5 2s. 6d. a ton, against £1 10s. 1d. a ton respectively, or 241 per cent. more by road than by rail, the goods would cost for their carriage, £2,676,485."

"The total cost for conveying passengers and goods being £4,278,714, from which deduct £1,250,000 for railway expenses, we obtain a balance of £3,028,714. This amount, capitalised at 3 per cent., produces £100,957,188, which are huge figures.

"In 1897 the passenger rates were, for 34 miles by road, 12s. 6d.; by rail between the same points, they are now 2s. 9d., or 329 per cent. greater by

road than by rail. If similar road rates were now charged on railways it would cost passengers £2,043,152. For the same distance, goods were charged £2 5s. a ton, against 17s. 9d. by rail, or 154 per cent. more by road than by rail. Under the same circumstances the cost of conveying goods would be £1,753,437, from which again deduct present railway expenses, £1,250,000, and we obtain a balance in favour of the users of our railways of £2,503,407, which, capitalised at 3 per cent., gives £83,447,900.

"I have shown, only for purposes of comparison, what capabilities on a 3 per cent. basis of both periods, 1875, 1897, would be to the users of the railways.

"Our products are now being carried at far less than one-third the cost of land carriage by road waggon, and our passengers at from one-quarter to one-sixth of the coaching fares, and with vastly better accommodation, to say nothing of the saving of time and increase of comfort. The value to the country of the railways to-day is more than sufficient to cover our national debt.

"With regard to those who would starve the open railways, and who allege that all additions to open lines should be paid for from revenue, are those critics aware that for the fourteen years ending 1900 the railways of the United Kingdom increased their capital account by £348,000,000, and their mileage by 2,028 miles only, so that at least £300,000,000 was spent on improvements and additions to existing lines, charged to capital account during the 14 years, or more than 20 per cent. of the total capital? Thus, during 14 years at the same rate, New Zealand, in comparison, would have spent over £4,000,000 of capital on improvements and additions. As the business of the Colony increases capital must be found to provide and work the railways, so as to stand the strain of congestion; working expenses cannot, and should not, do so.

CHAPTER XIII.

The First Public Health Act—Ward, First Public Health Minister in the World—State Fire Insurance.

In the year 1901, a notable advance in hygienic legislation was made. The public health at that time was in the hands of municipal authorities. Each local body was a Board of Health, and every Board of Health went its way, if not rejoicing, at all events dancing to the tunes played by the ratepayers. The result of these tunes was variety. It was a variety without charm, variety of appliances, monstrous precautions, interpretations. Some ratepayers, after installing apparatus quite scientific, found their outlay wasted because the local body's inspector turned his back on their installation, keeping the eyes of favour on some other scientific thing which had to replace the quite good thing in position. Other ratepayers, men who talked as money talks, scoffed when ordered to destroy ancient premises unfit for human habitation, flouted the local body, and were allowed to go on making money out of buildings declared pestiferous by the local authority. Other ratepayers had other grievances, all because of the unprincipled variety encouraged by law. And in only one thing was there unanimity of public sentiment: all ratepayers were unanimous in voting hygiene a thing damnable from the financial point of view. There was a canker in public opinion in the strife of a spirit akin to that of the Sydney alderman of old time, who resisted progress in health matters by barking at municipal baths, declaring solemnly that he had not taken a bath for 50 years and found himself all the healthier for that reprehensible lack of ablution. He didn't declare he was comfortably grubby and indescribably filthy, because his obvious

condition did not stand in need of any corroborative evidence whatever.

Under such circumstances the Health Act of that time was rather a public nuisance than a public protection. Sir Joseph Ward, being Colonial Secretary, had to stand forward as the hygienic St. George to destroy this municipal monstrosity. This he did very well in moving the second reading of his Public Health Bill, and the monstrosity, having not one friend in the House, perished under his well-aimed blows. They were few and keen, quickly dispatching the monstrosity of divided authority, unfairness, ignorance, favouritism and powerless inefficiency. Sweeping away the unlamented remains, Sir Joseph led in the new Bill, which, as the Public Health Act of to-day, is one of the best, if not the best, in the world.

It recognises the importance of the health of the public by placing the care thereof under a department of the Administration, with a Cabinet Minister at its head, a vast improvement on a board of health absolutely powerless to carry out its functions. In the working of this measure, Sir Joseph became the first Minister of Public Health in the world. The permanent head is a central health officer, and under him district health officers, with machinery for ensuring full, impartial attention and power in all things of the public health, in town and country; an automatic working system, replacing the haphazard practice of motion by panic and hurry in cases of crisis, danger or emergency. And the above officers have to be medical men of standing, and there is assurance of all the benefits of scientific research, as it is done in the best modern manner under the best systems in vogue anywhere.

Of this sowing, here is early fruit, as recorded in the Financial Statement of 1902. The record is of successful defence against bubonic plague.

"Although we have not been successful in preventing the occurrence of plague in the Colony, I (Sir Joseph Ward, acting-Treasurer) am glad to say that the health authorities have in each instance been able to circumscribe the sphere of action of these cases so that nothing in the nature of an epidemic has taken place."

He goes on to refer to a system devised by the Health Department of "quarantine on which we are to be congratulated for minimising interference with trade."

For a later fruit we leap to the influenza epidemic of 1918, 16 years later. The terrible losses of that epidemic are still fresh in the public mind. So also is the noble response for help made by all classes of the community at the call of the health authorities, in the forefront of which response the medical men of New Zealand stood with high spirit and skill unwearied. The success of that great public voluntary effort inspires a thrill when we think of it, to the present day. But we must understand that the organisation of that effort was the work of the Public Health Department, established in the first year of the new century. Under the former system that effort would have had small chance of success. The organisation, which availed itself to the utmost of every resource, public and private, is a striking tribute to the wisdom of the planning which installed an efficient Department of Public Health under a member of the Cabinet. Needless to add that during all the years covered by the above emergencies the ordinary working of the great Department of Hygiene has been a smooth and efficient safeguard of the health of the people of New Zealand—one of the feathers in the cap of honourable leadership worn by Sir Joseph Ward. It must be understood, of course, that he was a collaborator in the Cabinet of the Prime Minister, Mr. Seddon. The matter was in his department,

and he had to take charge of it, devising with initiative, and urging forward the work with directing power.

In 1902, the Premier, Mr. Seddon, being in England to attend the Coronation of King Edward VII., Sir Joseph Ward became Acting-Premier. As such, he carried the burden of the Premiership. This was, in the session of that year, exceptionally heavy, and the unusual weight was increased by the burden of the treasurership, which Sir Joseph had to take over with the other responsibilities of the absent Premier. The promotion emphasised the completeness of the recovery from misfortune. It must have been also very agreeable as a proof of the high estimation in which his qualities and services were held.

Besides the increased duties, there was the leadership of the House of Representatives. . . . That was a new experience for Sir Joseph, and the House wondered how he would acquit himself. It has often been proved in the House of Commons that Cabinet success is not a certain prelude to successful leadership of the House. The most recent failure in that respect occurred two years before Sir Joseph Ward took the leadership as Acting-Premier. In the year 1900, the House of Commons, which had a great admiration for Arthur Balfour, his personality, his address, his manners, his success in the difficult, almost impossible, post of Irish Secretary, came, after much patience, unanimously to unwritten conviction that, as leader of the House, Arthur Balfour had proved an unmitigated failure. As this was fresh in all minds, there was some anxiety as to the outcome in Ward's case.

That disappeared soon, for Sir Joseph quickly proved his competence for the difficult post, the qualifications for which no one has ever been able satisfactorily to define. You either have them, or

you don't have them. Beyond that, no one can ever go in the critical field. Sir Joseph promptly showed that he had them. Tributes, sincere and, in some cases, enthusiastic, testifying to the care, tact, good temper and practical success of his conduct of the business, came from all sides before the end of the session.

In the opinion of Sir Harry Atkinson, there was no limit to the activities of the State; whatever it likes to do, that the State can do, but must be careful to do it well. The chief point of this view of his was his remarkable campaign of industrious and skilful energy in support of his scheme of General Insurance, somewhat on the lines established by Bismarck in Germany, and so successfully administered by the German Government, to the great content of the working people of Germany. In this campaign Sir Harry earned high honour as an advanced humanitarian, sincere, genuine, and sanguine. It is matter of regret that he was in advance of his time. It may be added that, perhaps, the time has not yet come for a scheme of assurance so wide and far-reaching as he desired.

Sir Joseph Ward, when moving the second reading of the State Fire Insurance Bill, certainly did not go so far as Sir Harry in his advocacy of the right of the State to do as it wills in the world of business. While approving of the use of the public credit, of the State power, and of the best brains of the servants of the State in the conduct of great departments of business, he was careful to explain that he regarded such use, not as a means of making business profit, but as a competitive method of keeping the charges to the public within reason, not interfering in any other way with the business concerns of the community. "The foundation of the Fire Insurance Office would be," he said, in his second-reading speech, "the means of preventing the

raising of charges to an abnormally high rate, and would enable those people who desire to effect business with the private institutions, and not with the institutions under the charge of the Government, to do so on fair and even terms."

In referring to the existing business activities of the State, he stressed this point. For example, in speaking of the Government Insurance Office, he said: "To the credit of the late Sir Julius Vogel will ever be remembered the fact that he suggested and brought into operation the system which has been found to be so beneficial to those who desire to protect their families or secure money for themselves at certain periods under the different systems of that department. It has worked out, on the whole, exceedingly satisfactorily, and I think I am right in saying that it has not been found—although it was originally believed that it was so—detrimental to the private life insurance companies which have been carrying on business in New Zealand. The general argument used against a measure such as this is that the State ought not to interfere with what is termed 'private enterprise.' That is a cry which has been so long advanced against every proposal of an advanced nature submitted to the people of the country through the Legislature, that I do not think it will stand in the way of a progressive reform which should have a beneficial effect upon those who desire to insure their property against fire."

He went on to refer in similar terms to the Public Trust Office.

Coming to the Advance Office, established seven years before, he said:—"Although great opposition was shown to that innovation for a considerable period, there is now almost a united consensus of opinion that the Advance to Settlers Department has

done very good work with the money provided for it by the State, and has not materially interfered with those who desire to lend money privately, except that it has gone in the direction of bringing about a lower rate of interest, which is for the general good of the Colony."

CHAPTER XIV.

Acting Premier—Limits of State in Business—Fine Debate on State Insurance Bill—Bill Postponed—First of the Railways Superannuation Scheme.

Bracketing these three great business departments of the State, he said, without much danger of contradiction, so well are these departments liked to-day in the Dominion:—"These departments stand in evidence of the fact that the focusing of the interests of the country in concrete form by the State can be used for the good of the country, and that without doing any injury to private persons. And so in the establishment of a State Fire Insurance Department. It is not so much the fact of the putting on the Statute Book of the Colony a Statute such as this; or the fact that the department will obtain a portion of the insurance business of the country, as that it will, to a very great extent, fix the maximum charges which will be levied for the carrying on of business of this kind. It is not so much that statutory legislation is required for the adoption of the proposed department; but that statutory legislation is necessary to control what one might call the maximum rate which can be charged by the various offices carrying on business in the colony. The greatest advantage which has been secured by the Government Life Insurance Department, and the Government Accident Insurance Department and the Advances to Settlers Department, is that these institutions have the power of the State behind them, and therefore they must, if well directed, be to the advantage of the country as a whole."

The debate that followed was interesting, exhaustive, and close; one in every way worthy of a great representative assembly. The acquaintance

displayed by many of the speakers with this principle and practice of Fire Insurance was astonishing. Sir Joseph had not said much about the charges imposed by the various companies doing business in the Colony, and some of the speakers questioned whether the companies charged rates unduly high. But this questioning was solidly answered by representatives from all parts of the Colony, from Invercargill to Auckland, and from Wellington to Napier, with denunciations of the rates existing—they called them exorbitant—one member warming to great severity. A great deal was said of the difficulty of the essentially necessary reinsurance, declared by several of the speakers to be an impossibility under the circumstances. There was condemnation all round of that part of the Bill which provided a local option for compulsory insurance with the State Office. Many denounced the provision for providing a capital not exceeding £250,000; one member said that the establishment of a State Office was not the only alternative to the existing system, and stressed the advantage of the Mutual Fire Insurance system in use in Canada, which he declared to be superior to the system proposed in the Bill before the House. On the whole, the speeches leaned well toward the principle of State Fire Insurance on the terms stated by Sir Joseph, which provided for a regulation of the charges without much interference with the business of the private companies.

Sir Joseph replied all along the lines taken, both of opposition and of support, with the vigour of sincerity and in close acquaintance with the existing business, which was astonishing in one who had so much more work to do than was entailed by his own departments. He explained misunderstandings, showed the impossibilities involved in much of the hostile criticism, rebuked those who had declared that the proposed amount of the capital to be provided might ruin the credit of the Colony in London,

and denied both the alleged impossibility of reinsurance and the danger—provided against in the Bill—of overwhelming disaster by any great abnormal conflagration, such as had recently occurred in the city of Chicago. In conclusion, he declared his intention to have the Bill referred to a special committee to study its many complications, and report. The Bill was read a second time on the voices, and referred to the committee accordingly.

It got no further in the session of 1903, and in a later session the principle represented by a State Fire Office was placed on the Statute Book in a workable form within the limits advocated by Sir Joseph. The proceedings of 1903 are, however, interesting, as showing a creditable and very able attempt of Sir Joseph at a much-wanted, necessary and widely-desired reform.

With July of 1902 came the long-desired fullness of time. The Treasurer—Acting-Premier he was, too, at the moment—had been repeatedly bombarded by questions making demands and suggesting insinuations woven about the superannuation for the railway men. It had almost begun to appear as though these were the real superannuators putting pressure on the man who had apparently in a rash moment declared his intention of providing a scheme for superannuation for the great mass of the railway servants of the State. Some of these questions seemed to hint that the "Wizard of Finance" was planning to reap a great prudential harvest with the sickle of bluff. None of them made anything like a practical suggestion. A moiety believed in his good intentions; others wanted to "call his bluff." His one answer was that this was a very complex subject, requiring most careful study. Not a subject for plunging. On the contrary, one which could only be launched with the best possible guarantee obtainable against disaster, a

disaster fatal to a very great number of men—then 8,000, with certainty of large increase in the rapidly developing railway service of the Colony. Often did he ask these enthusiasts for superannuation, what would they think of the thousands putting faith in a scheme of provision for old-age, dreading the nightmare of poverty in their helpless days. As for him, his thought of such disaster was that it must be unthinkable. Therefore, he was working to find a sound scheme of superannuation. He was confident that the day of his finding would come before long. On that day he would bring his scheme before Parliament. The day did come. On the fourth of July he presented the scheme in the G.R.S.S. Bill for second reading.

His second reading speech, dealing with every angle of approach to the principle and practice of superannuation amply proved the meticulous care and wide research he had given to the matter. It was felt by the House, attentively listening, that here was a scheme of superannuation that had received thorough consideration. Party spirit evaporated quickly, and it became evident that the House had made up its mind to give constructive help. It was a reception very creditable to the House, and to the Minister of Railways, Sir J. Ward, who, as such, had brought down the Bill and moved the second reading.

He began with a brief reference to the importance of the subject, and told how he had ransacked the world for superannuation schemes in operation, and had found a successful one worked by the Superannuation Society of the London and North-Western Railway Company. This office had met all the calls upon it during its 47 years of existence and it had built up "an enormous superannuation fund of £1,114,288, which, on the company's guarantee of 4 per cent., would produce an annual

income of £44,571, far more than enough to meet any possible demands that may be made on the fund." The quotation is from the "Engineer," the well-known railway journal.

The Minister went into details of this result. These showed that, in 1897 (47 years after foundation in 1853), the L.N.W. Superannuation Society had paid on all claims £360,880, leaving a balance in hand (in 1897) of £997,382, which, by June 30, 1900, had increased to the above enormous total of £1,114,288.

This great fund had been built up on a basis of 5 per cent. contributions—2½ from wages of employees of the company, and 2½ from the company's subsidy. In applying the system here, he stressed that he was asking for a 6 per cent. contribution, 3 per cent. from wages, and 3 per cent. from the Consolidated Fund of the Colony.

Asked the reason for this increase, he said:—

"I think that, taking into consideration the age to which our railways have attained, before commencing the fund, the contribution from both sources should be larger, so that a larger fund may be created in a shorter period. If our scheme had been created 47 years ago it would, of course, have been in existence in the early carrying on of the railways with a smaller number of men, or at least, with a much shorter service, and the fund would have grown up side by side with the service itself, as was the case in the Old Land. But here we are to-day with 8,000 men practically commencing at a period where, 47 years ago, the London and North-Western Company started to build up a fund with their staff. The conditions of the Old Country are much the same as in New Zealand. I may inform the House that at first I proposed to have the scheme on a 2½ per cent. basis, both from the State and

from the employees, but after going into the matter more fully, and conferring with others, and receiving as much information as I could on superannuation schemes from other companies in different parts of the world, I came to the conclusion that it would be stronger, better and safer in the interest of the department and in the interest of the country, to have a higher contribution in the first instance, so that it might work out for the general well-being of the employees in this Colony. . . . There must be a commencing point and the reason for the large contributions on the part of the State, and for the proposal not to bring the Act into operation until 1904—that is the actual time for the utilisation of the scheme—is so that the scheme may have such a basis in the first instance as will go for surety. In any case, I would point out that if we were not to put into operation the Superannuation Fund in the Colony, the railway employees who, in the interval, may go out of the service will still require to have some provision made for them, and those who may meet with accidents will still be covered under the Workers' Compensation in Accidents Act. The object is to prevent a duplication of payments from the two systems at one time, which would not be a proper thing to do."

Further, the Minister said: "Until you have a few years' experience of the working of such a scheme, you can not expect to have the necessary power, or the accumulations, or the profits, or the interest on the moneys invested—you cannot expect to be in the position of being really upon a strong basis in order to work out the future of the scheme."

Referring to the London and North-Western Railway Company's scheme, he pointed out that "in 1897 the contributions were less than in 1900, which goes to prove that the moment you establish such a

scheme as this on a solid basis, it goes on like a snowball, growing yearly in strength and size."

He passed to the question of perfection according to actuarial test. He did not claim that perfection. "If you question the great friendly societies, they cannot claim this actuarial perfection. Take the Manchester Unity Oddfellows, for instance, which has an accumulation of about ten millions sterling. If judged from an actuarial standpoint that society is not regarded as being in a sound position, yet I have no hesitation in saying that it is a thoroughly sound one, and meets all the praiseworthy intentions of its promoters."

CHAPTER XV.

Establishment of the Scheme—Its Working, Changes, and History to date.

The same, Sir Joseph declared, could be said of the London and North-Western Railway scheme. "Judged after 47 years, after making contributions to every claim upon it, it has over a million pounds sterling of accumulated funds, which, invested, largely meets the annual outgoing, in every direction."

He explained this reference to these cases to call attention to the fact that it is not so much upon the amount of accumulated capital they have to draw upon that such schemes should be judged, as on what is at the back of them. It is the creation of a system which builds itself up, and while it is being built up has the support and assistance of the credit of the institution behind the proposal—in this case a contribution from the Colony itself, in addition to that of the employees—which, it will be admitted, establishes the credit of, and strengthens, the superannuation fund from its inception. In the case of the L.N.W.R. Company, the fact of the company giving its contribution of 2½ per cent. was a large guarantee on the side of the company which would ensure that provision of capital which is looked to as the basis upon which to rest the structure; and when the State is behind such a scheme as this, I do not think there are any hon. members who will assert that that fact would not to some extent take the place of what is generally looked upon to make the scheme actuarially sound." He added, with justifiable boldness: "I know the idea that lies in the mind of any person is as to whether or not we are undertaking a scheme that may be termed actuarially sound. All I can say is that,

unless you provide a huge capital in the first instance really to provide a friendly society scheme of a superannuation fund you would, from the point of view of most people, conclude that you would never have a scheme such as instituted by the L.N.W. Railway Company, or one such as is proposed in this Bill."

All this handling of the subject was included evidently to show that under the surrounding conditions the urgency of the New Zealand railwaymen's case was imperative, and that the case could quite well be met by the proposal before Parliament, that proposal being not actuarially sound, but quite sound enough for all practical purposes.

The State, one sees in the underlay of this argument, must make good in case the scheme fails, make good by supplementing its contribution, if and when necessary, but is strongly safeguarded by the practical soundness of the scheme proposed; and the danger of any failure being reduced to a minimum—almost negligible—proved all that in the case of the scheme used as an example.

The Bill was debated at some length, and generally approved, but some objections were taken. Preference was expressed for a sliding scale of contributions, after the manner of the Police Superannuation Act, which varies by degrees of contribution of employees from 5 to 10 per cent., and the Minister justified by pointing out the great difference between 700 men on one side and 8,000 on the other, by objecting that the Government contribution would have to be increased accordingly, and urging the greater variety of the circumstances.

A strange, perhaps characteristic, objection twitted the Minister with not having informed the House that the London and North-Western Company had agreed to contribute to their scheme in order to avoid the liability under the Workers' Compensation Act. The Minister replied that the agreement to

contribute was made by the company in 1853, whereas the Compensation Act aforesaid was only passed in 1894. And the objection was swept away without another word.

Several objections were founded on the allegation that insufficient provision was made for the case of the older men, who could not get full advantage. The Minister made it appear that due provision for this purpose, made in the Bill, had not been understood. This gave opportunity to one speaker to declare that some previous speakers had not read the Bill.

Another objector declared that the delay in bringing forward the Bill had been caused by serious differences in the Cabinet. This was denied, and re-affirmed, with some reference to actuarial considerations. To this, the Minister of Public Works, who denied the allegation of Cabinet differences, said that, at all events, there had been discussion of actuarial need, that actuarial investigation had been made, and "there was the Bill."

In the absence of knowledge of Cabinet discussions, one can only surmise, in consequence of the pointed reference in the Acting-Premier's second reading speech, to the impossibility on the one hand of getting actuarial perfection, and the soundness of the scheme, not actuarially perfect, that the delay had been due to some hesitation in accepting the possibility of practical soundness versus actuarial perfection. The latter view had, however, prevailed in the end.

Another objection was that the contributions were too small. This resulted in the substitution by the committee of, for the uniform scale of contributions by the employees, a sliding scale according to age, which increased the aggregate of the contributions from £18,000 a year to £33,000.

This was the chief amendment made in committee. It was agreed to, after some hesitation in accepting the possibility of practical soundness versus actuarial perfection.

Other objections were few and minor, except one, which found fault with the contributions as too large. These made no difference, however, and the Bill was read a third time.

In the Council the Bill was received sympathetically, but several amendments were made. The chief of these was an alteration in the sliding scale of contribution, reducing the aggregate by £3,000; an addition of one to the board, giving three to the employees' representative and increasing the total from four to five; and the inclusion of the provision giving equal status under the scheme to employees of any railway company that might be acquired by the State.

Some of these were refused by the House, and the Council insisted. Rather than jeopardise so valuable and so urgently necessary a Bill, the House, on the motion of the Acting-Premier, agreed, and on September 13, the Bill was through Parliament.

The quarter-century that has passed since has not justified the opinions of its soundness expressed by Sir Joseph Ward, but has proved the beneficial character of the measure. The extension of the system to the whole Civil Service, and the establishment of similar schemes of superannuation by various local bodies, are a good body of corroborative evidence. This series of superannuations, which have given security and comfort to thousands of persons, stands to the credit of Sir Joseph Ward. If there were no other proof of his capacity as a political leader of courage, sagacity and prudence, they alone would establish his claim to such a title.

The subsequent history of this railway superannuation to date is very interesting, as showing

the effect of changes in environment and improvements in benefit. At the outset, when the scheme was before Parliament in 1902, the main criticism made upon it was that the basis—the wages and State contribution—was too small for soundness of working. The history of the fund's working makes it unnecessary to follow that point of difference, because it is a history of alterations of circumstances. Additions to the benefit list and increases of wages, with proportionate retirement amounts, have necessitated increased annual contribution from both wages and the Consolidated Fund. A brief history of the fund, with some explanation of its present benefits and contributory basis, is necessary for the understanding both of this great institution and a proper appreciation of the fine part played by its founder.

The Railway Superannuation Fund was brought into operation in 1903 at the instigation of the Rt. Hon. Sir Joseph Ward, at that time Minister of Railways.

The main features of the fund were that members in the railway service could join the fund on payment of an annual contribution from their pay at a given percentage of their wages, according to age at the date of entry.

Upon attaining the age of 60 years the contributor was entitled to retire on a superannuation allowance equivalent to one-sixtieth of his then annual rate of pay for every year of service—or, alternatively, he could retire on conclusion of forty years of service on two-thirds of his pay at date of retirement. The Act provided that all new entrants must join the Superannuation Fund. As a matter of fact, the benefits offered were so liberal that very few of those in the service at the inception of the Act declined to comply with its provision.

Although the rate of superannuation payable by new entrants was fixed at that time at 3 per cent.

of their annual wages or salaries, it became evident later that the fund would require materially strengthening, so that now the percentage rate paid by new entrants to the service is 5 per cent. of their rate of pay. At the same time it was found necessary to increase the annual subsidy from the Consolidated Fund, which in recent years has reached £100,000 and over.

Here, with regard to the initial difference about the contributory and subsidiary basis of the fund, it must be borne in mind that, since the first fixing of the contributions, there have been great changes in general monetary valuations. These have brought about substantial increases in the pay of railwaymen and proportionate increases of withdrawals on retiring allowance account. Moreover, there have been additions to the original list of benefits, and the fund has been actuarially sound.

Among other such benefits is an allowance for widows of members who may die while in the railway service. It is fixed at £18 a year. And children of father so dying are, while under fourteen years, entitled to draw a benefit of 5s. a week each.

These alterations of conditions necessary to maintain the soundness of the scheme, required additional contributions from members and from the Consolidated Fund.

But subsequent alterations have not materially altered the main principle, which was to ensure for retiring railwaymen superannuation allowance commensurate with the value they had given to the department.

Some effort has been made to change the scale of benefits obtainable under the fund, in the direction of making substantially better provision for the widows and children of employees dying after going on the Superannuation Fund.

ACKNOWLEDGMENT.

The above sketch of the present status of the Superannuation Scheme was supplied by officers of the Railway Department.

CHAPTER XVI.

Midland Railway and its Eventful History.

The great West Coast Railway agitation of the Middle Island upset the fair course of naturally divided politics in the early "eighties" of the nineteenth century. In 1885 the agitation subsided, having borne the desired fruit in the formation of the Midland Railway Company. The company set to work, and in due course started its railway. It had legislative authority behind it, and popular favour. It enjoyed a grant of adjacent lands, it turned the first sod on the western side of the Southern Alps—in the middle of the Reefton-Brunner-Greymouth-Hokitika district. There was, on that "auspicious occasion," a great flourish of trumpets. Marvels were glibly predicted for the consequence of the completion of the line, the date fixed by the contract being ten years later.

Before that date the company broke down, construction stopped, and, according to the terms of the contract, the line was taken possession of, forcibly, by the Government. The Government carried on the construction, merging the Midland Railway in the State Railway system. Some years later the Otira Tunnel, boring five miles through the Southern Alps, completed the long-desired connection between the East and West Coasts of the Middle Island. But that is another story.

It was in 1902, the year in which Sir Joseph Ward was making his fine record as Acting-Premier, that the Midland Railway disappeared from the political atmosphere, the final stage of settlement of its problem being the Parliamentary sanction of a sum of £150,000 by way of compensation to the Midland Railway Company and its debenture holders. Thus ended a dramatic episode of seventeen years.

We look back upon it to-day, noting with some wonder the vividness of its first agitation, the passion of the struggle for the construction, the despair of the breakdown, the astonishment at the seizure of the line, with warm interest in the arbitration, and legal proceedings incidental to that seizure, with amazement at the final payment of consolation money to the bankrupt company and its financial backers.

Mr. Seddon, with Cabinet support, had made the seizure. In his absence—after the company had failed in its appeal to the law and to arbitration—it fell to Sir Joseph Ward, Acting-Premier, to face Parliament with the proposal for the settlement of the moral claims of the unhappy company and its even less happy bondholders, who had expensively failed to obtain legal redress. Sir Joseph performed this duty with nice tact and conspicuous ability. Particularly noteworthy was his handling, before the House of Representatives, of this moral claim to compensation for a company which had failed utterly to establish its case in the courts of law—the Supreme Court and Court of Appeal of New Zealand, and the Privy Council of the House of Lords, and by arbitration as by law provided.

There was a general opinion that the company deserved nothing, and this was freely expressed in the debate on the second reading of the Government measure for final adjustment. And when Sir Joseph came to his urge of a moral claim for the company which had failed before all three Courts, one member interjected about these bondholders of the company, "They have stopped your loan in London," his answer was wise, as delicate as it was convincing.

Since the railway had been seized by the Government there had been litigation as above, and considerable discussion and negotiations throughout the Colony. This had covered a period of six years—a rather eventful history of a considerable trouble.

In this session of 1902 the Government got an opportunity to settle the trouble, and brought a Bill down to the House for that purpose. The Premier, who was on his way to England for the coronation of King Edward VII., had given his ideas, which, in fact, amounted to need for legislation to take advantage of the acceptance by the company of the terms offered to it. It fell to the lot of Sir Joseph Ward, as Acting-Premier, to finish the interesting and troubled episode by introducing and piloting through Parliament the Bill for the authorising of the payment of a sum of £150,000 to the debenture holders and shareholders of the company. The representative of these people in Wellington was Mr. James Coates, of the National Bank, and their solicitors here were Messrs. Findlay and Dalziel.

The business before Sir Joseph was a difficult venture. It was known that there was strong opposition to the payment of anything to the company or the debenture holders. The Government had said in answer to repeated questions during the session, that it had no intention of bringing down any Bill and there was the Bill on the last day but one of the Session, October 1, 1902. The strength of the opposition to the Bill was not known, but its determination was obviously very strong, and the circumstances were favourable for a stonewall. The last refuge of an obstinate minority, and the capacity of the opponents of the Bill for stonewalling was known to be as resourceful as it was determined. However, the matter was urgent, for the bondholders had intimated at the last moment their willingness to accept £150,000 if authority were obtained that session. The Acting-Premier faced the duty devolving on him with all his courage, debating resource and intimate knowledge of the subject.

He began by placating the enemy, explaining that he had postponed the second reading from the

afternoon because some of those who wanted to speak were then absent from the House. There had been, he said, a good deal of controversy on the subject, and he wished to give as much time as possible for the undertaking of the matter. He then proceeded to give the full history of the Midland Railway project and of the company formed to carry it out. It will be well to give that history here in full.

The contract with the Midland Railway Company for the construction of several lines of railway —from Springfield, in Canterbury, to Brunnerton, in Westland, and from Brunnerton to Belgrove, in Nelson—was entered into on August 3, 1888. It referred to the original contract made with the Canterbury-Nelson syndicate on January 17, 1885, and provided that the whole of the two railways contracted for should be completed within ten years from the date of the latter contract, that is, on or before January 17, 1895.

As the works were not complete on the latter date, and, indeed, had come to a standstill, the Government determined to exercise its rights under section 128 of the "Railways Construction and Land Act, 1881," and take possession of the railway. Possession was accordingly taken on May 25, 1895, and the line has since been held and worked by the Government, and construction works carried on by them. The contract provided that the only remedy in case of dispute was an appeal to arbitration, each party to appoint an arbitrator, and the two arbitrators to appoint an umpire.

The company being dissatisfied over the seizure, and also over the matters previously in dispute with the Government, made certain very heavy claims against the Crown, and asked to have them referred to arbitration, and appointed Sir Bruce Burnside to be their arbitrator. The Crown appointed Sir Charles Lilly, and the two arbitrators appointed the

Hon. Edward Blake, Q.C., as umpire. The arbitration was held in Wellington toward the end of 1895. The arbitrators disagreed on a point of jurisdiction at an early stage of the proceedings, and, in accordance with the provisions of the arbitration clause in the contract, the arbitrators withdrew and left the decision entirely in the hands of the umpire. The umpire gave his awards (two) on December 25, 1895, both being in favour of the Government. (Parliamentary Paper, D-40-1896.) The company having no remedy against the Crown other than arbitration, was thus at the end of its legal resources. Not so the debenture holders, however. They contended that they were not parties to the arbitration proceedings, and that their claim was not before the arbitrator, and that his award, therefore, was not binding on them.

They accordingly instituted independent proceedings in the Supreme Court, but were unsuccessful. They then appealed to the New Zealand Court of Appeal, and were again unsuccessful. (D.-5-1899.) They then took their case to the Privy Council, and his Majesty's Order-in-Council confirming the same will be found in D.-5 of 1900.

Both the company and the debenture holders having been defeated before all the tribunals it was possible to appeal to, Parliament was approached by petition in the session of 1900.

The Public Accounts Committee, after hearing evidence at great length, came to the conclusion that it was desirable that a Royal Commission should be set up during the recess to obtain evidence as to the value as a going concern of those sections of the railway which were completed at the time the Government took possession, and that the further consideration of the position should be left over until the following session.

Accordingly, on January 31, 1901, the Midland Railway Commission was appointed, and held meet-

ings, lasting over nearly five months, in Wellington, Nelson, Reefton, Greymouth, and Christchurch. They also carefully inspected every yard of the railway that had been made by the company. The commission reported on June 21, 1901 (H.-2.-1901).

The report was to the effect that the company and its debenture holders had, on the whole, been very well treated. They found that the total expenditure of the company on the railway was £1,108,628, of which only £654,411 was expended on the actual construction and equipment of the railway, and the balance, £454,217, on supervision, commission, salaries, cost of raising capital, interest charged to capital account, and incidentals.

The commission reported that the final charges in connection with the undertaking were enormous, in comparison with the work done, and that the sums paid for debenture interest, shareholders' interests, cost of raising money on debentures, administrating, engineering and law costs, were out of all proportion to the amount expended on construction and equipment.

They further reported that the selling value of the whole railway, based on the revenue earned, and allowing for prospective increase for ten years, was £192,828, and that the amount realised by the company from the Government land grant was £313,060, or £250,195 in excess of the value at which the grant was debited to the company.

They also found that the Government provided money toward the construction of the railway to the amount of £38,439.

It will thus be seen that only £654,411 was expended by the company on the construction and equipment of the railway; and of this sum the amount realised by the Company from the Government land grant formed nearly one-half. Then,

taking the selling value of the line at £192,828 (a report by the commission), and the amount realised from land grant at £313,060, it will be seen that no less a sum than £120,227 has already been provided by the Colony in excess of the selling value of the line.

CHAPTER XVII.

Final Settlement of the Midland Railway Business—Abortive Attempt to Buy the Manawatu Company's Line.

The petitions were again referred to the Public Accounts Committee, together with the report of the commission, and that committee recommended on November 4 (I.-11, B-1901) that the sum of £110,000 be offered to the debenture holders, and £20,000 to the shareholders in full satisfaction of their claims, both the debenture holders and the shareholders to express their satisfaction with the equitable and just action of the Colony in making the settlement before the money is paid over.

The Acting-Premier then explained in detail, with the support of the necessary documents, that the debenture holders, as a result of negotiations initiated between the Premier—absent at the moment on the voyage to England—had intimated through their representative in Wellington their acceptance of £150,000—cash or stock—under legislation during the present session. He intimated, in answer to a question about the compensation, if any, to shareholders, that the £150,000 payment covered all liability of the Colony.

This explained the delay, the late appearance of the Bill, and the contradiction of the Ministerial reply to questions about impending legislation.

He then made a strong appeal on the moral side, contending that, though the railway people had been beaten on the legal side in every way, justice required some consideration to be extended. "Honourable members," he said, "should recognise the fact that this Colony has a responsibility in connection with Midland Railway from which it cannot shake itself clear, and every man in the Colony who

wants to see the good name of the Colony in which we live maintained, ought to approach this matter with a desire to do that which is best in the interests of the Colony, honourable to the Colony and fair to the debenture holders. I, personally, opposed the original proposal to construct the railway, as many other honourable members also doubtless did, too. But the fact remains that the railway is there, that the Midland Railway got into inextricable troubles from which they could not recover in any way whatever, that the company went hopelessly and headlong to grief, and that there has been considerable litigation between the company and the Colony, and which has been favourable to the Colony. If we were to put down the line ourselves, quite irrespective of the Midland Railway Company, we could not do it for anything less than the amount that it will stand as a charge upon the Colony.

"The fact also remains that, irrespective of the responsibilities of the shareholders, the debenture-holders' money is in the line, and the result of a commission and a committee of this House, which was set up to investigate the report of the commission, was a recommendation by the Public Accounts Committee that the Colony should pay £130,000 in full settlement of the claims in connection with the railway.

"After that payment of £130,000 was recommended, it was intimated that further payments had been made since the railway came into our hands, and that this sum was not considered at all in connection with the recommendation of the committee.

"Now the position is that the debenture-holders have, at all events, expressed their willingness to accept £150,000, and it has to be remembered that no proposal of any kind was made by the Government until they agreed, in London, to accept the £150,000.

"The Prime Minister," he pointed out, "had recognised the acceptance and promised to recommend the necessary legislation immediately to Cabinet."

Sir Joseph, continuing his remarks to eloquent peroration, made a very significant declaration of the position of the bondholders. "The debenture-holders were placed in a position which, in my opinion, they ought not to have been placed in. Through a technical error and a want of knowledge of the then existing conditions, which it was their duty in their own interests to have made themselves aware of—but I say through want of knowledge, they found themselves in the position of not having the first security on the assets of the Midland Railway."

The meaning of this is, while the Railways Construction and Land Act, 1884, gave them first charge over the entire assets of the company, the Railways Construction and Land Act of 1881 gave the Government, in a certain event, the power of seizure, notwithstanding whatever security rights there might be. Therefore, when the Crown seized the line, the debenture-holders found their assets swept away.

That financiers of the calibre of these debenture-holders got into a mess like that may fill the world with amazement. Sir Joseph Ward's appeal for them was, nevertheless, strong.

"Having got the railway into our hands, the moral obligation does rest on the Colony of seeing that we pay a fair sum for the railway, irrespective of the legal position or of differences of opinion there may be among members of this House as to whether the railway should or should not have been where it is now."

When the debate opened it was soon seen that there was not any party opposition to the motion.

Like Sir Joseph Ward, the leaders and many of the rank and file of the Opposition had opposed the Midland Railway; but they agreed with him that the debenture-holders had a moral claim to some compensation, and they accepted the amount (£150,000) offered in the Bill as sufficient. They were, of course, aware, like the Acting Premier, that, in the event of shabby treatment—the non-recognition of the moral claim of these bondholders—there might be trouble, for they were leading men on 'Change and one of them, Lord Avebury, was the chairman of the Foreign Bondholders' Committee of the Stock Exchange, who had actually advised on a recent occasion the refusal of quotation to New Zealand stocks. It was soon clear that, following the powerful appeal of the Acting Premier, and his tactful handling of the whole matter, the Bill was assured of a majority strong enough to put it through all stages at once. But it was equally evident that a determined minority of deadly hostility to the measure had made up its mind to use all possible means to obstruct the Bill. This, on the last day but one of the session! It was a grand opportunity for stone-walling, and a stone-wall was promptly set up.

On getting into committee, the attack was delivered, hot, vehement, enduring. It blocked the short title for seven hours. Had the old Standing Orders been in force, the enemy might have won, in view of the late hour of the session. But the new Standing Orders proved too much for such protracted work as of old. The half-score stone-wallers made the most of the arguments proper to the subjects, rallying them round their furious denunciation of the Midland debenture-holders as blackmailers—sticking up the public credit on the money market. They wept with pity over the ruined shareholders who were getting nothing.

They twitted the other side with their aristocratic instincts—inclining them to fawn on these wealthy financiers, while they habitually refused the petitions of small men who had broken down in the public service and had big families to maintain. The relevant ammunition, however, soon gave out. Even the declaration of the insurgent leader that the tactics of the "purse-proud, callous blackmailers had cost the Colony the enormous sum of £400,000 on a recent occasion, could not be used more than once. When reduced to the irrelevant matter, they found the chairman obdurate. They made a desperate appeal to the Speaker, hoping to outflank the obstruction. They even tried the same tactics. But old Sir Maurice was as shrewd and determined and masterful in his last session, which this was, as in his first. He shut them up in all their attempts at irrelevant verbosity and finally declared the House once more in committee.

The only amendment made in committee was the Acting Premier's, substituting payment to the debenture men of stock instead of cash. The third reading offered little to the enemy. Sir Joseph chaffed them about their opposition to the payment of £150,000 in the face of their own declaration that the refusal would be followed by the loss of half a million in the money markets. When at last the bonds were accepted, the Colony breathed a sigh of relief.

Premature rejoicing! When the bonds were offered on the market, the price of our stock had fallen, and the debenture-holders could not sell at par. The consequence was a tremendous outcry against the bad faith of the New Zealand Government, which had sold at face value bonds worth something substantially less.

The holders of the bonds made a mountain out of a molehill. The molehill was made to loom

large enough to destroy our credit on the market. It was too bad. Sir Joseph's brilliant, tactful handling of this very troublesome matter apparently had gone for nothing. The money markets became very black for this heavily borrowing country.

The remedy, however, proved quite easy. The bonds had been accepted, with interest at three per cent., at par value, which was the value at the time of agreement. Both sides had agreed about it. When the stocks fell, the Premier, who had returned in time for the session of 1903, got permission from Parliament to substitute three and a-quarter per cent. bonds for three per cents., and the bondholders ceased from troubling.

But why should there have been trouble, even to accusing the Government of New Zealand of dishonesty? Scratch the high financier and you will find the small huckster. The parallel is good sometimes only, like Napoleon's parallel of the Russian and the Kalmuck.

In the session of 1901, a Bill was brought before the House of Representatives by the Right Hon. R. J. Seddon, Prime Minister, for empowering the purchase of the Manawatu Railway by the Government from the Manawatu Company. That railway had had a successful history; a great contrast to the story of the Midland.

In 1877, the Grey Government had arranged a Public Works policy, of extensive character, which its Public Works Minister, Mr. Macandrew, explained to the House in his usual optimistic fashion. Among the works of that policy, a railway between Wellington and Foxton, running along the west coast of the North Island, had a prominent place.

The extent of the policy caused a good deal of surprise and alarm. Its object was to speed up the working of the great Immigration and Public Works policy, then in its seventh year of working.

If times had been good, this speeding up policy might have received a wider general commendation. But they were bad—there was panic and political jibing.

When the Grey Government fell, as it did very soon after the appearance of this policy, the whole list was submitted to a commission appointed by the next Government. When the commission reported, the Wellington-Manawatu project was among the works condemned.

The condemnation of the Manawatu project was not approved in the district concerned. The land on that railway line was a strip of no great width between the Tararua Range and the Tasman Sea. There were great swamps at the northern end, the whole was densely wooded, and most of the land transport was forced to use the sea beaches for many miles.

CHAPTER XVIII.

Agitation for Purchase—Attacks on the Government—The Second Purchase Bill.

Nevertheless, the people concerned regarded the district as rich; they considered that it would easily support a railway; thought a railway vitally necessary to its development. The proposal to make the line under the Public Works system had had their approval. The condemnation of the line was to them a great disappointment. Self-reliance was one of their virtues. They decided to build the line themselves.

They got an Act of Parliament passed, generally authorising the construction of railways on the system of land grants along the proposed line of construction, and on this basis they quickly formed a company; the company quickly constructed the railway; and soon (five years) trains were running from Wellington to Palmerston through Johnsonville, Porirua, Plimmerton, Paekakariki, Waikanae, Otaki, Levin, Shannon, Longburn—these and other stations becoming famous and prosperous.

That railway was well-equipped and well-managed, and very soon the vast development of the district amply justified the faith in its brave promoters. Early in its career, the Wellington-Manawatu Railway was universally recognised as the best paying line on the New Zealand Railway schedule, and probably the best paying line in Australasia.

The Government Railway Department made a running agreement with it, very necessary for the State railway system, and soon extended through the Wairarapa and the Rangitikei Country; and friendly co-operation of the public and private lines had become a vital necessity.

The State Railway Commissioners and the manager of the Manawatu line understood one another very well. For years things went as merrily as marriage bells.

Gradually it became very evident that the two railway systems must come under a single management, and the wish to see the private line acquired by the State became universal throughout New Zealand.

Impelled by the pressure of generally recognised fact, Mr. Seddon brought down his Bill, as above-said, in the session of 1901, for empowering the State to buy the railway. The conditions prescribed were simple. The State would take over a parcel of the company's debentures, and pay 30s. a share for the 130,000 shares of the company. For this consideration of £945,000 the company was to surrender its line and all its assets. It was to be a case of "you walk out and we walk in." There was just one little fly in this otherwise most clear ointment. The inclusion in the assets to be surrendered of the company's remaining land endowment —granted under the Railway Companies and Land Act, 1881—on which they had floated their project to dazzling success. This was the difficulty.

Sir Joseph Ward, speaking in the debate on the second reading and defending the terms to be offered to the company against the charge of gross over-payment, declared the value of this to be £112,000, including some cash due by purchasers.

Though there had been considerable talk about the desirability and the immediate possibility of purchase, the Bill caused a good deal of surprise. Captain Russell, then Leader of the Opposition, attacked it sharply, declaring that not more than an hour had been given the House for the study of that "important and complex measure," denouncing the same as offering to pay £336,000 too much for

the property. He moved that the Bill be read that day six months.

A lively skirmishing debate followed, with inevitable reference to the share market, and the same sharp things were said. Why, it was asked, had the Government not exercised the power of purchase under the Railways Construction and Land Act? To this the Government replied that their procedure was better for all parties and the public interest, adding that it was only that day that the company's chairman had signified readiness to treat.

The Bill passed both Houses in due course. But the simple process of "you walk out and we walk in" did not come about. Mr. Seddon, in moving the Second Reading, had intimated that the assent of the directors would go before the shareholders, who would ratify as a matter of course. But the Bill was turned down by them.

All further negotiations appearing hopeless, the Minister of Railways (Sir Joseph Ward) gave notice to the company for the end on a certain date of the running agreement. This was followed by an outburst of rumours of a most disquieting kind. There was something like a panic in the Palmerston district, and men talked everywhere of the sharp practice involving great hardship to the public, by which the Government was proposing to force the sale of the Manawatu to the State. A few extracts from Hansard will give an idea of the position of affairs.

On July 4, Mr. Wilford (Wellington Suburbs) asked the Minister of Railways (Sir Joseph Ward) "whether the Government had been advised that all the English shareholders of the Wellington and Manawatu company had forwarded proxies to New Zealand to be used on their behalf in the direction of facilitating the proposed sale of the railway to the Government. And whether the Minister is aware that these proxies which arrived in New

Zealand, were unable to be found at the date when the voting took place for the sale of the company's property, and whether the Minister can explain what became of such proxies from the time they were forwarded to the time when the actual voting took place?"

Sir Joseph Ward was "very sorry he could not give the honourable member any information on the matter. As Minister of Railways, he had not been consulted about any proxies or about the intentions of the shareholders of the Manawatu Railway Company, either previous or subsequent to the meeting. If the proxies were sent out here for the purpose of being used at the meeting, he took it, it would be anything but the proper course for anyone who had received them to have prevented them from being used for the purpose for which they were sent. But the Government had nothing whatever to do with the internal affairs of the Manawatu Company, and, speaking for himself, he did not intend to have anything to do with them. His duty was to look after the interests of the State, and he intended to do so."

On July 4, Mr. Pirani wanted the Minister "to explain the proposals of the Government in connection with the interchange of traffic between the Government Railways and the Manawatu Railway on the termination of the existing agreement. Sir Joseph Ward said that the intention of the Government was to retain, as far as possible, all the traffic which originated in its own lines. He thought that was the right thing to do. They had, at enormous cost to the country, constructed railways through the North Island—from Wellington to Napier on the one hand, and from Palmerston to Wanganui on the other, and it seemed to him that as custodian of the several railways of the State, it was their duty,

having offered to take the Manawatu Railway over, at what they believed to be a fair price, and the owners having determined to retain the railway for themselves, to do the best they could for their own railways in order to secure to their railways as much of the traffic as belonged to them."

Mr. Pirani replied "he did not ask the Minister the intention of the department. He asked the Minister if he would explain the proposals of the department. He understood the proposals of the Government were absolutely to block the interchange of traffic between the Manawatu Company's and the Government lines, by taking up the rails and removing the stations, so compelling passengers to walk a quarter of a mile from one station to the other, and goods to be carted that distance. This was the proposal as published and he thought the Minister would have been glad of the opportunity given him to state if either of these were or were not the proposal of the Government."

The Minister said he "intimated that the Government intended to secure to its own railways all the traffic it could from the existing lines. That was what they intended to do. The Government had made no proposals whatever to the Manawatu Company. All they did was to serve the company with a notice of their intention to determine the existing agreement, and the right time for the Government, as representing the people of the Colony, to submit proposals to the Manawatu Company was some time before the expiry of that notice. In the meantime, their duty was to get all the business they could for their own railways."

Asked "what about the public?" the Minister said "the public had not complained, with the exception of a few people who had taken up cudgels on behalf of the Manawatu Company before knowing what was the nature of the Government's proposals.

The Government had made no arrangements such as had been mentioned by the honourable member. They intended to look after their own interests at the right time, and no imaginary complaints or threats on the part of anybody would deter the Government from doing what they believed to be right on behalf of the railways of the State. They would do the best they could for the large and valuable asset which was under trust to the Government in this matter."

On July 8, Mr. Field "was aware that negotiations had been carried on recently, and that they had failed through no fault of the Government. But since that time, there had been an altered condition of things, inasmuch as 'the most valuable portion of the company's land had been sold.' The reason given by the Government in the past, for not buying the line under the Railways Construction and Land Act of 1881, was that the Act did not provide for the purchase of the land, and they declined to take the line without the land. Recently, however, the company had sold their most valuable land properties—namely, the Makerua Swamp and the Thornton Reclamation—and the remainder of their land was mostly rough and mountainous, and hardly worth acquiring by the Government. He wished to know, therefore, whether the Government, considering the altered circumstances, would buy the line in virtue of their power under the Act of 1881."

Sir Joseph Ward said " the Government had no intention of reopening the negotiations for the purchase of the Manawatu line. They had already made their position clear."

In 1908, the time was ripe for the acquisition of the Manawatu line by the State. On one side the company had built its line and worked it with conspicuous success; on the other, the obstructions

to the State acquisition, chief of which related to the disposition of the company's landed endowment, had passed away. The public mind had become determined on the acquisition for various reasons, and while the terms of acquisition were being considered on both sides, it became clear to both that the time had come for the absorption of the line by the State, even if it was suspected in some quarters, the State must use its powers to make an end of the private possession. Sir Joseph Ward had become Prime Minister. He had made clear his determination to bring all the railway work of the country under State management. He had made the reason for this equally clear. That the transfer of the line to the State must be effected had become obvious. All that was wanted was patience, tact and mutual goodwill.

These conditions were present. Sir Joseph proceeded about the business with great care and with a full recognition of the excellent work the company had done; and the directors of the company showed themselves to be as reasonable over the transfer as they had been energetic and public spirited in the construction. A bargain was struck, advantageous to both sides.

CHAPTER XIX.

Passing of the Bill—Full History of the Manawatu Company—Imperial Conference 1911—Imperial Co-operation.

When the Bill came before the House for completing the transaction, it contained the bargain struck, wherein it had advantage over the Bill of 1902, which contained only the offer of terms to be sanctioned. This time, Parliament was asked to ratify a treaty—carefully thought out, fully discussed, complete in every detail. The progress of the Bill through both Houses of the Legislature was, with one exception, a procession of eulogies ending in cordial ratification of the bargain. The absorption of the Manawatu railway into the State railway system was one of the most successful things in our Parliamentary history.

In moving the second reading of the Bill, Sir Joseph called it the concluding chapter of the history of the Manawatu Railway Company. Having explained that the terms of purchase had been agreed on and embodied in the Bill, and ratified by the Manawatu directors and the Cabinet, he stated the terms, and gave an account of the negotiations —between the chairman of directors, Mr. John Kircaldie, and himself, Premier, attended by the Manawatu railway manager, Mr. Hannay, and by the Public Works Secretary, Mr. Blow.

Having given meticulously and exactly the price agreed on between the Government and the company, Sir Joseph proceeded to review the position, with these results.

The price offered and repeated in 1901, worked out at £939,000. The price paid in 1908 was £915,000, with £10,000 added for stores taken over.

The Manawatu line had cost, with equipment, £799,578. To this at date of purchase had been added £140,000 for workshops, heavier rails and plant, certified to by the company's manager and verified for the Government, expenditure of £140,000, bringing the cost up to £939,578. In comparison, the price paid, £915,000, plus £10,000 for stores, is satisfactory to both sides, and quite fair.

Sir Joseph concluded with a graceful eulogy of the company's chairman and directors for their fair and courteous negotiations, and an emphatic declaration that both the State and the company had made an excellent bargain.

In the House, there was some misunderstanding about minor points, but on the whole, the passage of the Purchase Bill was a triumph.

In the Council, it went through with flying colours. The Leader of the Council declared that every member would regard the passing of the Bill as a memorable incident in his tenure of office. He also declared that it was almost the final step in the nationalisation of the railways, adding that for his part, he thought that "never again in the history of New Zealand will a railway of this character be allowed to be held in private hands or for private purposes." With him, the speakers, and there were many, regarded the buying of the railway as an excellent investment, and they joined him in his eulogy of the Premier and the directors for their very well-conducted negotiation of the matter. They also accepted his declaration of the great value of the course that had avoided the expenses, the uncertainties and the delays of an arbitration.

"I am proud," said Dr. Findlay—he was not then Sir John—"that the great work has been completed by the Administration to which I belong." And he recorded a fine eulogy of the manner in which Sir Joseph Ward, the Prime Minister, had handled the matter, "which had given him a very

great deal of anxious thought and while he had to bear on his back a great deal of criticism, it is perhaps not amiss that we should recognise the really excellent work in the bargain he has struck in regard to this railway. He has had, at all times, the interest of the people of the Dominion at heart —we can well believe that—without attempting to over-reach, if it were possible to do so, the owners of the railway, and he has arrived at a bargain that is fair to the owners of the railway, and which is exceedingly satisfactory to the people of New Zealand. Therefore, it is fair to say that he has conducted the negotiations with great fairness and skill, and that we must recognise the lasting service in this respect that he has done for the people of this country."

One member urged the Council "not to forget the people who gave the instructions under which the line was originally laid out. Instructions given by the Administration of Sir George Grey and Mr. Macandrew, who, in his great Public Works Statement, had done justice to the country lying between Wellington and Foxton. He said that its carrying capacity was very great. He struck the right note of policy when he advocated the line. The most troublesome part of the survey was between Wellington and Waikanae. That portion of the line was entirely graded and laid out by the officers of the Government and work was done in formation and reclamation estimated at £100,000 worth. In consideration of their making the line, all these works were handed over by the Government to the company. It was a solid help which we cannot forget." . . . In conclusion, this hon. member had only to congratulate the Government on bringing the line back to the system from which it ought never to have been taken.

Another hon. member, joining in the leader's congratulation of the Prime Minister, said: "He was

aware that the company had the highest opinion possible of the courtesy and kindness with which the Premier had dealt with every phase of the negotiations with them, and they have nothing whatever but good to say of the Government in connection with the matter."

And so the Bill passed into law, the railway of the Manawatu passed into the State system, a prospect of £90,000 of profit dazzled the eyes of the management, giving a clear surplus of £50,000 after paying 4 per cent. on the million paid for the line. On its side, the company looked back on a great career. The Wellington people had, on a capital of £70,000, financed and built this line in five years, made it the most profitable railway in Australasia, and handed it to the State at a price fair to buyer and seller alike.

After Sir Joseph's arrival in London for the Imperial Conference of 1911, he found himself in the limelight, and soon began to ventilate his ideas and opinions, like a thoughtful man, having original views, and determined to air them for the general good—a frequent saying of his at that time was that the chief benefit to be expected from these conferences was educational, both on statesmen and on public opinion. This certainly countered a rather favourite criticism of the time to be read in several influential publications, which declared that the conference talked a good deal and did very little. They reminded their readers of the small ha'porth of bread to Falstaff's intolerable deal of sack.

Expanding the educational idea into a defence of the alleged too much talking, Sir Joseph maintained that he could discern in public opinion a movement toward an Imperial constitution of some sort, of which, he consistently said, the ideal form could only be found by actual experiment, going forward by degrees. Already the idea was favoured of co-

operation, as distinct from consolidation, and in that direction the tendency was setting.

His chief, the Right Hon. Richard Seddon, had ventilated the idea of Imperial co-operation. It was in the heyday of his great Premiership that he gave it warm words. That he did in his speech supporting his motion to express the regret of the House of Representatives at Mr. Joseph Chamberlain's retirement from the Colonial Secretaryship. The motion ran thus:—

"That this House desires to express its great regret at the retirement from office, and to place on record its appreciation of the distinguished patriotic services rendered to the Empire by the Right Hon. Joseph Chamberlain, as Secretary of State for the Colonies, to whom we owe the inauguration of a great colonial policy, which he carried out with conspicuous tact and ability, thus securing cordial relationship and mutual understanding between the colonies and the Mother Country, to the great advantage of the Empire."

Speaking to the resolution, Mr. Seddon referred to Mr. Chamberlain as the ideal Secretary for the Colonies—the greatest indeed of the long line of Secretariat—who had urged the idea of "Co-operation" between the statesmen of the Mother Land and the colonies as the best way to the stabilisation of the Empire. In support he quoted Mr. Chamberlain's own statement, which he had heard: "It was my—I might almost say my only—ambition when I took the office to which the Queen has been pleased to appoint me, that I might be able to do something to draw closer the bond between Britain and the colonies, because I have felt that in this alliance between nations of the British race the future of the great Empire must depend."

That was in the session of 1903. The motion and speech may be said to be the first sign seen

in this country of the new belief in the Imperial future, which was taking to the middle course of Imperial co-operation as the right way out of the alternatives of central constitution or disruption of the Empire.

Mr. Seddon's speech on these lines was warmly supported by Mr. Massey, then Leader of the Opposition, that support being a further sign of the passing of the dread alternatives from general favour; also by Sir W. Russell, who said that Mr. Chamberlain had diverted the current of public opinion about the Empire.

Then followed some speeches which, while agreeing in the regret at the retirement of Mr. Chamberlain, objected to the terms of the resolution as expressing approval of Mr. Chamberlain's fiscal policy. The attack on that ground was led by the late Mr. Bedford, the young member for Dunedin, who had made a brilliant start in public life—and unfortunately, some time later, perished by drowning at Whangarei, before he could fulfil his early promise of a career.

Sir Joseph Ward descended on these critics of the motion, sounding loud the note of loyalty to the new idea of Imperial co-operation against the discordant note of Mr. Bedford and his supporters. He strongly endorsed the eulogy of his chief of the work done by Mr. Chamberlain, hailing his basic view thereof as a great new departure. He was amazed that any honourable member could allow any views he might entertain about Home politics or matters of administration to blind him to the fact that for the last four or five years, no man had stood out more prominently in the history of the Empire than Joseph Chamberlain, drawing the Old Land and the colonies closer together, moulding the destinies of the Empire for all time. The episode is interesting, as it shows that so far back as 1903,

Sir Joseph Ward had definitely turned his thoughts to the side of Imperial co-operation, which was found by the time of the Imperial Conference of 1907 to have become the established Imperial idea.

Mr. Seddon, in his reply on this occasion, persuaded all but two of the objecting critics that his motion contained no approval of Mr. Chamberlain's Home policy or any other policy of the British Parliament, and the motion was passed with only two dissentients—the "Noes" being Mr. Bedford and another.

CHAPTER XX.

Imperial Conference, 1911—Ward's Work thereat as Premier.

In the conference of 1907, which Sir Joseph Ward, having succeeded to the Premiership after Mr. Seddon's death in 1906, attended, he made his views on the value of co-operation as the best constitutional way out very clear. In the conference of 1911, at which he represented the Dominion again as Prime Minister, he stood for the new idea. On his arrival in London, he gave his views fully and frequently on the general principles, and with his colleague Prime Ministers, attracted a great deal of attention, and had to undergo all the ordeal of an enthusiastically generous and splendid hospitality.

These Prime Ministers and the work they were about to do in that 1911 conference were brilliantly described in a leading provincial paper by the Hon. W. P. Reeves, in the "Bristol Times" of June, 1911.

"The Dominions will be fully and honourably represented," wrote the High Commissioner for New Zealand. "By birth, as in other things, the visiting Premiers will be excellently qualified to stand for those whom they govern. Our colonies have been largely built up by Scottish shrewdness and Irish imagination, and have absorbed highly important French and Dutch elements. So it seems as right as it is interesting that the doyen of the Colonial Premiers, Sir Wilfrid Laurier, should be a Frenchman; that the head delegate for South Africa should be Dutch; that the chief spokesman for Australia should be a Scottish mechanic, and that Sir Joseph Ward, of New Zealand, should be the son of Irish parents. Thus willingly does England, the 'prominent partner' in the Empire, admit the principle of free competition for the great prizes of Imperial public life."

Then followed from that facile pen, descriptive sketches of all these named Colonial Premiers. From that list we select the sketch of our Sir Joseph.

"Of a more bourgeois complexion than Mr. Fisher, Sir Joseph Ward has inherited the leadership of a party which in its time has startled Australasia by its daring in experiment. Sir Joseph himself stands with the less Radical wing of his party; but an analysis of his graduated land tax, his State money-lending to small farmers and cottagers, and his administration of State railways, would make British Radicals groan with envy. Lately he has busied himself with efforts to develop a well-trained Territorial Force, and has talked of compulsory service, but has not yet put it into force. A thick-set, bulky, good-looking Irishman, dark-haired and of the genial sort, Sir Joseph has almost as much energy as his predecessor, Mr. Seddon. A successful merchant, an excellent Postmaster-General and Minister of Railways, he has abilities of the practical kind."

For a time all these Premiers and Dominion representatives were in a blaze of Press and political glory, the three recognised Estates of the Realm vieing with what may be called the benevolently usurping Fourth to do them honour; the United Kingdom clearly in mood favourable to the new idea of Imperial co-operation. Presently all these people—the extenders and recipients of great hospitality—met in the Imperial Conference, in the Foreign Office of Britain, where so much history had been made and recorded in so many centuries.

The British Premier, Mr. Asquith, opened the conference with a magnificent speech. He welcomed the oversea men; he reviewed the period since the conference of 1907, paying a glowing tribute to

the memory of Sir Henry Campbell-Bannerman, who had presided, giving him credit for the presence of the Premier of a united South Africa, General Botha, who had headed the Dutch armies against us but a few years ago. He threw over the proceedings the atmosphere of Imperial co-operation, which dominated them to the end. After a glowing tribute to Edward VII., the King who scarcely a year ago "was suddenly taken from the Empire which he served so faithfully and loved so well, leaving behind him the best inheritance which any monarch can bequeath to his successors—the memory of great purposes worthily pursued and the example of a life which was directed and dominated by a tireless sense of duty, and an unquenchable devotion to the peoples committed to his charge." Passing on to give homage to the reigning King, he expressed a firm belief that "in his reign the British Crown will continue with untarnished lustre to be the centre and the symbol of our Imperial unity;" adding an expression of his pleasure at the presence of the oversea Premiers at the coming Coronation.

Reviewing the history of the Empires of the world, he came to his hope that our Empire would not pass away, like them. In this he relied on "two things in the self-governing British Empire which are unique in the history of great political organisations. The first is the reign of law. Wherever the King's writ runs it is the symbol and messenger not of an arbitrary authority, but of rights shared by every citizen, and capable of being asserted and made effective by the tribunals of the land. The second is the combination of local autonomy—absolute, unfettered, complete—with loyalty to a common head, spontaneous and unforced, for common interests and purposes, and I may add a common trusteeship, whether it be in India or in the Crown Colonies, or in the Protectorates, or within our own borders, or the interests

and fortunes of fellow-subjects who have not yet attained, or perhaps in some cases may never attain, to the full stature of self-government."

He next referred to the conflict, once so strong, between the ideas of concentration and co-operation, bearing on the future of the Empire—a conflict which had now ceased, with the victory of the co-operative method. Centralisation, he said, has been seen to be increasingly absurd; disintegration has come to be regarded as impossible; the political instinct of the race having saved us from these dread alternatives, is now bent on following the middle way of co-operation to safety and stability of the Empire.

Having completed the atmosphere of co-operation, Mr. Asquith offered in his peroration a guide for working in it toward the end of a stable Imperialism.

"There are sitting at the table to-day six Prime Ministers, all holding their commissions from the same King, and all deriving their title to its exercise from the voice and vote of a free democracy. We are all of us, I suppose, in our own Parliaments, party leaders, holding and using power by virtue of the confidence of a party majority. But each of us when he entered this room left his party prepossessions outside the door. For us to-day, and throughout the conference, there is, I believe, one spirit and one purpose—to make the Empire, in all its activities, and throughout all its parts, a more complete and effective instrument for the furtherance of our corporate unity and strength, along the old, well-trodden, but ever-lengthening and widening road of British liberty."

The representatives of Canada and Australia having spoken in acknowledgment, Sir Joseph Ward spoke in his turn, expressing his thanks to the president, and the loyalty of his people to the Sovereign. He agreed with what the president had said about

Sir Henry Campbell-Bannerman and the Boers, keeping well within the atmosphere thrown over the conference by Mr. Asquith. In this he showed his fine historic sense. "I want," he said, "to add my personal testimony to what I believe has been the greatest thing in the century from the historical point of view of the British Empire, in the bringing together of the divided States of South Africa into one whole, which has done an immense amount of good for that country, and has impressed the British people all over the world with the fact that probably no other people in the world than those of Great Britain, and perhaps no other Parliament in the world, would have done what was looked upon by some people as a very risky thing."

It had made him, he said, very confident as to what might be the outcome of the deliberations of the conference. Canada and Australia ought to have said this in their reply. That they did not is a tribute to the keen historic insight, and the abiding sense of the power and proportions of things of Sir Joseph Ward. Before he sat down he said that he considered a definite forward step should be made in the organisation of the Empire, to help the sentimental bond already well reinforced by the local autonomies prevailing throughout the Empire. He fully subscribed to Mr. Asquith's declaration that the colonies are each mistress of their own house, but all daughters in the house of the King. That declaration he showed himself as determined as all the other members of the conference to maintain.

It is worth noting that the appreciative tributes paid by Mr. Asquith and Sir Joseph Ward to the late Sir Campbell-Bannerman and his work were handsomely endorsed by General Botha, as were their declarations of the loyalty of the Boers, which had followed the fine constitutional treatment accorded them. "On behalf of South Africa," said

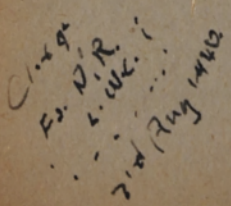
the General, "I express the deep sorrow of our people on the death of our late beloved King Edward VII. From the people whom I represent I bring the most loyal greetings and dutiful homage to our King George V. To-day I have the honour, with my colleagues, to be present, on behalf of the whole Union, in the row of nations under the British flag. We are not only united countries, but also hearts. We are to-day in South Africa inspired with new hope and new courage, and we look forward to the future with the greatest confidence."

Having thanked the Prime Minister, in glowing terms, and having done homage to the King, the conference got to work on its large and interesting agenda paper.

Sir Joseph Ward proposed the first business of the agenda with a resolution for the admission of the Press to the proceedings. The other conference members sided with the British Government representatives against this measure of publicity. They were satisfied that an official precis of the proceedings, as in the Conference of 1907, to be published widely daily, to be supplemented by a further verbatim report after the ending of the conference, would be quite sufficient publicity. Sir Joseph, in view of these expressions of opinion, said he would withdraw the motion, as there was no chance of carrying it. If the people in New Zealand had received information upon matters he had discussed fully he would have had no fault to find. He did not put the matter forward from any personal considerations, but the people of New Zealand were as much concerned in what he was doing as the people in other portions of the Empire were in the actions of their representatives. He withdrew his resolution.

He then was accorded the honour of moving the first important proposal of the agenda, perhaps the

most important, a proposal for settling the first great step toward the organisation of the Empire. It was his proposal for establishing an "Imperial Council."



CHAPTER XXI.

For an Imperial Council—With Overseas Fleet—Adverse Debate.

The conference had, of course, had ample notice and was well prepared for the discussion of the proposal. It was aware, too, that Sir Joseph's idea had considerable support in the British Parliament. The president had communicated to the conference a memorandum signed some weeks before the meeting of the conference by a large number of members of the House of Commons, in these terms:—

"We, the undersigned members of Parliament representing the various political parties, are of opinion that the time has arrived to take practical steps to associate the overseas Dominions in a more permanent manner with the conduct of Imperial affairs, if possible by means of an established representative Council of an advisory character in touch with public opinion throughout the Empire."

This memorandum of the Parliamentarians and Sir Joseph's formal suggestions were, of course, independent in their respective origins. But the two were practically together in the conclusion that some action was immediately necessary. In his comment later on, Mr. Asquith said to the conference it was much easier to express an abstract aspiration in favour of closer political union than to translate that aspiration into practical terms.

That is the very translation which Sir Joseph was attempting with the resolution he offered to the conference when he moved:—

"That the Empire has now reached a stage of Imperial development which renders it expedient that there should be an Imperial Council of State with representatives from all the self-governing parts of the Empire in theory and in

fact advisory to the Imperial Government on all questions affecting the interests of his Majesty's Dominions overseas."

He began with the reminder that Mr. Joseph Chamberlain had, when Secretary of State for the Colonies, invited suggestions of this sort from the overseas Dominions. He then supported his resolution on the following grounds:—

(1) Imperial unity.

(2) Organised Imperial welfare.

(3) The equal distribution of the burden of defence throughout the Empire.

(4) The representation of self-governing oversea Dominions in an Imperial Parliament of defence for the purpose of determining peace or war, the contributions to Imperial defence, foreign policy so far as it affects the Empire, international treaties so far as they affect the Empire, and such other Imperial matters as might be by agreement transferred to such Parliament.

He dwelt on the growth of the oversea white population, now thirteen millions, and sure to expand into powerful nations with an aggregate population probably greater in 25 years than that of Great Britain.

At present these Dominions were bound to the Empire by sentiment—a very strong tie truly—but these countries in this connection were acquiring cosmopolitan elements, which might weaken the sentimental bond. In this estimate of increased population in the next quarter century Sir Joseph placed New Zealand as capable "in the opinion of well qualified men" of carrying 40,000,000 people with comparative ease and comfort.

But population was not the sole factor to be considered—otherwise China would have to be given first place in the world. The qualities of the people,

the capacity of the territory and the area available for expansion had to be considered.

Migration within the Empire would be necessary for various reasons. And "its development could only be carried out successfully if, as a pre-essential, an Imperial scheme were arrived at by an Imperial Council." He, of course, "recognised the enormous difficulties," but it was, he insisted, necessary to strengthen the "crimson thread of kinship," to use this phrase of Sir Henry Parkes, of New South Wales, of long ago.

He touched the argument of "the bundle of sticks," instancing Germany as weak when a country of many States, but to-day, a union of States, a very formidable Power. The same applied to the United States of America, and to South Africa.

Mr. Asquith interjecting that all these instances consisted of continuous territory surrounded, so to speak, by a ring-fence, Sir Joseph promptly answered that "there was no parallel in the world for the position occupied by the British Empire to-day, but the fact of our being separated by sea did not in any way minimise the necessity for settling a pressing problem. The difficulties, of course, were enormous; so, also, however, were the difficulties which confronted the attempt to form the American States into a Union, but these had brilliantly been overcome.

Reverting to migration, he drew a mighty contrast. One of the leading nations of Europe had just succeeded in stopping the stream of emigration of its people from 26 per 1,000 in 1894, to 4 per 1,000 to-day. The United Kingdom, on the other hand, which in 1894 exported only 9 per 1,000, "had risen to the alarming number of 40 per 1,000. Between 1902 and 1907," he added, "the increase in the numbers of men leaving England for other countries, largely foreign, was 61 per cent."

Under a proper system, he concluded strongly, he believed a large proportion of that 61 per cent. would have gone to British countries.

Coming to details, he said that the question of defence was the most important of all the Imperial questions. He would, therefore, prefer to call his Imperial Council an "Imperial Parliament of Defence." The Empire consisted of a group of free nations, and the day for a partnership in Imperial affairs had arrived. "On what basis?" he asked. Not the present relationship, because, as he said with convincing force, "no partnership deserved the name which did not give the partners some voice in the management. With separate Dominion fleets there could be no partnership work. What was necessary was an Imperial organisation." This his suggested Imperial Council would supply.

"No doubt all parts of the Empire could carry out the conditions required for effective land forces, and for the protection from the interior of their respective territories. New Zealand, for instance, would shortly have a mobile land force of 80,000 trained men. But the naval defence of the Empire as a whole, was a matter of the first consequence to all parts of the Empire, and that was why he looked forward to the possibility of co-ordination and co-operation in order to provide a more powerful oversea navy than could at present exist. The result of a proper Imperial unity between the Motherland and all oversea Dominions would probably be to secure the peace of the world for generations to come.

He passed to more detailed definition. For the general purposes described under the four heads (above noted), the five Dominions would elect an Imperial House of Representatives for Defence, one

representative for every 200,000 of their respective populations—white; giving representatives of:—

Canada	37
Australia	25
South Africa	7
New Zealand	2
	71

By similar election basis the United Kingdom would have 220 members, in a House of 291, with tenure of five years. The five Dominions and the Mother Country would elect an Imperial Council of Defence, each electing two representatives.

Mr. Asquith descended on the weak point with a strong interjection: "On the Council of 12 the United Kingdom would have two representatives and the Dominions ten."

Sir Joseph explained that the functions of this Council would be limited, and mainly consultative and advisory. He added that there would be an executive of not more than 15 members. And to that Parliament would be transferred exclusively those matters common to the whole Empire, including the provision of the necessary revenues, but without the power for the first 10 years of imposing taxation; the amount payable by each of the oversea Dominions should be taken to be a debt due by them. After 10 years the amount should be raised in such manner as agreed by the respective Dominions, under the circumstances a most reasonable proposal.

When the explaining voice finished the constitutional definition it ran into a formidable difficulty, thus:—

"This proposal presupposed a Federal system of Government in the United Kingdom, or a complete system of local autonomy for the national divisions of the United Kingdom, so that all portions

of the Empire would be in a similar position in that respect."

Obviously the new thing was going to involve a tremendous lot of work in planning and devising. This, of course, implied that the suggestion was intended primarily for discussion of all the aspects of a great question, rather than for debate with a view of immediate practical establishment. This fact, judging by the speeches made about Sir Joseph's suggestion, does not seem to have been realised by the Conference.

Then followed the proposal for an overseas fleet, to do mostly all, if not all, the work of the overseas defence of the Empire. A very remarkable proposal in a very brief statement.

"On the basis of 13,000,000 white people in the overseas Dominions, 10s. a head would provide £6,500,000 per annum. For this sum three Dreadnoughts at two millions each could be built. If, instead of waiting 20 years to put the oversea Dominions in a position of supreme invulnerability, and of absolute safety from every point of view, if it was decided as a matter of policy to borrow the necessary money, 25 of these vessels at two millions each, or fifty millions sterling borrowed on a basis of 6 per cent., including a 3 per cent. sinking fund, could be repaid in 15 years."

And he explained that the sinking fund would be sufficient to replace the ships when approaching obsolescence. He further explained that the executive would be responsible to the Imperial Parliament of Defence, in which the United Kingdom would have by far the greater representation.

This brought the peroration, one of dignified, modest persistence, with an original, comprehensive idea: "The great democracies in the oversea Dominions were expected, and rightly so, to take their share in the burden that might ensue, in connection

with any war in which Great Britain was engaged, and they were entitled as a matter of right to have some voice, even though they were in a minority, upon some such organisation as he had suggested. Such a body could not be brought about in a hurry, but he had no hesitation in saying that the future would call for some such institution which would maintain the solidarity of the Empire as a whole, and consequently to secure the peace of the world."

CHAPTER XXII.

Failure in Conference—Appeal to Public Opinion—Lord Selborne's Eulogy.

Thus it was made very clear that the New Zealand Prime Minister had presented, not a cut and dried scheme fitted into its constitutional place with apt relation to every point in a constitutional Federal system, but a rough-hewn block, to be shaped in accordance with constitutional principles for the service of a great Empire with rapidly growing centres of population and correspondingly increasing demands, interests and capacities of the outer fringes.

In his reply, Sir Joseph answered all the objections made in the debate, and explained that "the whole object of his proposal was to give some definite and articulate shape to the aspirations which are professed by both the Motherland and the overseas Dominions."

"He recognised," states the official precis, "however, that there were great difficulties surrounding the matter, and, as the whole of the representatives were against the proposal, he accepted the position with equanimity, and in the circumstances withdrew the proposal."

Sir Joseph put the matter more fully. Said he:—

"To make my own position more clear, I do not want, on the matter of the wording of the resolution, as against what I have been urging in the course of the speech I have made, to put anybody in a wrong position. In view of the expression of opinion of the members of the conference against the resolution, I think it would be less embarrassing for the whole of them, and certainly quite in accordance with my own desire, that I should ask that

the resolution, having been discussed, should be withdrawn."

The president intimated: "That is much the better course." The conference agreed. The resolution was withdrawn, and the matter ended.

It has been held in some quarters that the discussion in the conference of this suggestion overwhelmed the proposer as one unfitted, by reason of ignorant rashness, for the counsels of princes. Such criticism entirely misses the point and the character and intention of the offered scheme. The criticism of the British Prime Minister and other members of the conference only showed the great difficulties, which were realised fully by the author of the scheme, offered for the purpose of decreasing them.

We need not discuss the various objections made, for such of them as were not based on misconceptions of Sir Joseph's meaning, are fit only for a first-class searching debate on the question of practical adoption; and for this the time has not arrived. We are not here discussing the scheme offered the Imperial Conference by Sir Joseph Ward. We are showing only that the man who rose from the position of messenger boy in the Telegraph Department of his country, through much handling of the affairs of State, behaved at the Imperial Conference as a Prime Minister among Prime Ministers, and so showed himself fit for the counsels of princes by taking a leading part therein.

Undaunted by this failure, not of his proposal in its concrete form, but to get something done in the direction he desired and regarded as immediately necessary, Sir Joseph appealed to the world of public opinion. A fortnight after the decision of conference he gave, by invitation, an address at the Imperial Colonial Institute. He headed it, "A Higher and Truer Imperialism." He said: "If the Empire was in future to have no closer unity and

no more intimate Council of Empire than was represented in a quadrennial meeting of Premiers round a table, then the outlook for Imperial unity was grave and clouded. There were two courses open. First, Great Britain might acquiesce in the continuance of the present system and permit time to lead the self-governing Dominions to a fuller nationhood with a foreign policy of their own, and ultimately allow them to declare whether they would remain at peace while Britain was at war—meaning, as it would, the assertion of independence.

"The other, and the only course that he could see, was the promotion of Imperial co-operation in all questions, including defence. The first principle of this course was the creation of a true citizenship of Empire. Thirteen millions of the race were to-day excluded from full Imperial citizenship, and while this was so we should never have the basis of a true Imperial system.

"Unless a scheme was devised by which the nations might be brought, truly and of right, within the Empire, the drift must, as they grew in wealth and population, be toward disintegration. Could that possibility be contemplated without a sense of horror? (Applause.) What was wanted was a free Imperial Council or Imperial Parliament, welding the free nations into one indissoluble whole for the maintenance and permanence of their ideal, including the all-important object of national defence."

The address, as thus summarised, was followed by a strong eulogy by Lord Selborne, who presided at the Institute's meeting.

"We have," said Lord Selborne, "been privileged to-night to listen to a speech of the greatest importance. It is, I predict, a speech which will be quoted in connection with this great subject for many years to come. Those who are present will remember hereafter that they heard this speech—this speech from the Prime Minister of New Zea-

land, a country in which his distinguished predecessor, Mr. Seddon, has always borne a foremost part in our Imperial deliberations. Sir Joseph Ward has said things to-night which no statesman of any party in the United Kingdom could say, not because they do not care about these things, not because we are not thinking about them, but because we know that whereas what a Prime Minister of a Dominion may say cannot and will not be misunderstood in the Dominion, yet if we said the same things, or things like them here, our speeches might be misunderstood in the Dominions. The old story of the bundle of faggots becomes more true every day the Empire exists. Sir Joseph Ward dealt more courageously and at closer quarters with the question of the organisation of the Empire than any statesman has yet done. That is why I have called his speech so important and so historical.

These eulogies were, of course, very satisfactory to Sir Joseph, who had appealed for the justification which the conference could not, from the nature of the proposal made to it, extend. It may be held, not without reason, that the conference might well have accepted the principle of Sir Joseph's proposal with a careful reserve about the details. As they did otherwise, Sir Joseph did well to feel public opinion outside. He got high praise as well as sympathy, quite as warm as Lord Selborne's.

The "Graphic" made similar eulogy. "In his excellent speech at the Royal Colonial Institute, Sir Joseph Ward set forth, with admirable lucidity, what is, in effect, the main problem posed for the Imperial Conference of 1911. The problem is how to give the Colonies their proper franchise in the Empire of which, largely and constitutionally, they are an integral part. Sir Joseph pointed out very justly that the present situation is anomalous, and may even prove dangerous. The Colonies share in all Imperial liabilities, but they have no voice in the

policy which creates those liabilities; and only a haphazard and casual share in providing against them. If this anomaly is not remedied in time, a process of disintegration will develop local new interests and policies which will not always be easy to reconcile with Imperial requirements.

"How true all this is, was shown by the debate on the federal representatives scheme, which Sir Joseph submitted to the conference a fortnight ago; but which failed to secure the support of the Dominions on grounds which lend no small colour to its author's apprehension. Such a scheme, however, cannot be the growth of a day, or even a decade. The obstacles in the way are formidable, for not only is Colonial sentiment not yet prepared to adopt it, but for the Mother Country it would mean a complete constitutional revolution. We must be content with the fact that it is now definitely posed, and that, as the years go on, the necessity of dealing practically with it will become even more insistent."

This is the same prediction that Sir Joseph made in withdrawing his motion. It is possible that if he had worded the proposal differently it might have been accepted.

About the same time he spoke up for his country at the New Zealand Annual Dinner—the 15th of a remarkable series of festivities. He predicted great progress for New Zealand in the future, perhaps immediately. As an ambassador of Empire, he was taking every opportunity offering to blow the trumpet for his country. Speaking to a large attendance, New Zealanders bulking large in the gathering, he "predicted greater progress very soon. There was," he said, "no safer country in the world for investment." There was just then so much money in the banks the people could not find investment for it. Not a bad form of complaint, he thought. "As years rolled on," he continued, firing

to his subject, "the people of the Dominion would realise that it required to do more than ever in return for the tremendous protection received in their younger days. They recognised that it was of the utmost importance to remain attached to the Old Land."

The Dominions, in the war three years later, made good these prophetic words of its energetic and far-seeing Prime Minister. Striking a deeper note, he went on: "Considering the growth of population, the diversity of laws enacted, and the different public policies affecting legal interpretation in his Majesty's oversea Dominions, no Imperial Court of Appeal can be, he thought, satisfactory if it does not include judicial representation of the oversea Dominions."

This speech was closely akin to the speech he had made in the conference on the establishment of an Imperial Council on May 25 and 26. That speech went a great deal further. It followed the educational idea he had laid down, and was full of the responsibility resting on a Prime Minister travelling to London to help in the development and strengthening of the Imperial connection. It indicated the pressure of the Imperial situation, which, having escaped from two alternatives, consolidation, immediate or deferred, was actually still urgent.

Most people, not very long ago, wondered whether anything had been done by the Imperial Conferences toward the practical organisation of the British Empire. The long-standing agitation for drawing up and launching a Federal constitution complete at all points, capable of resolving every possible question in the vast, complicated Imperial field, was then a very live thing, and was discussed as a thing of paramount immediate necessity. According to the agitators, many of them men foremost in statesmanship—some of them men of deep

thought, great experience and abundant knowledge —the only alternative to a cut-and-dried Imperial Federal constitution was dissolution, after the manner of the great empires of history.

CHAPTER XXIII.

Great Work at Conference, 1911—Ward Honoured—Educational Policy for the Empire.

When the Imperial Conferences began to set about the work of Imperial building, it was recognised universally that the Empire, powerless, and by many considered chaotic, possessed one tremendous asset. That was the sentimental bond which united it. That bond subsequently stood the test of the greatest war in history. When the conference got into harness before the war, the view prevailed that there is a safe middle way between the alternatives of constitutional perfection and dissolution; the way of co-operation guaranteed by the strength of the sentimental bond. It was resolved, therefore, to follow the middle way of co-operation. The resolve was justified by wonderful events in the Great War of the nations.

Nevertheless, many people, in their quite natural impatience, wondered if, after all the shouting over the sentimental bond, the Imperial Conferences were doing, or had done, anything for the organisation of the Empire.

After the conference of 1911, Mr. Andrew Fisher stated publicly in an interview—stated "with rapture"—that the British Government had agreed permanently to admit the oversea premiers to full knowledge of the affairs of the Empire. One critic railed. "See," he said, "with how little wisdom the government of the world is carried on." He meant that these people had once thought that governing persons could co-operate without knowing all round what they were about. But the decision "rapturously" announced by Mr. Andrew Fisher showed the end of the stupidity railed at—the jibe of this critic fell flat. The Government's decision to admit

the Empire rulers in full confidence had not only killed the jibe of this critic, it had answered the question about organisation. This resolved frankness was the first serious important step in the organisation of the Empire. It guaranteed the safety of the middle course. The critic was amazed that the Government he had always derided as a "Little England Government" had grown suddenly big. But that was his, not the Empire's, funeral.

This critic, it will be well to say here, was wrong in his jibe about the stupidity of working in the dark. At the conference of 1907 great frankness was extended to the conference in connection with foreign affairs of the Empire. And in the subsidiary conference of 1909, on defence of the Empire, the very fullest confidence had been extended. In the conference of 1911, however, this complete frankness was made a settled policy and custom, not a thing for any special occasion or particular debate. Hence Mr. Andrew Fisher's "rapture." He recognised the stability of the first step in the organisation of the Empire.

Mr. Alfred Deakin, of the Australian Commonwealth, had tried a first step in 1907. In the Imperial Conference of that year he had proposed to change the name of the Imperial Conference into Imperial Council. This, he explained, was to emphasise the continuity of the Imperial Conference, and, as the conference (council in his scheme of things) could only meet at intervals, he proposed to attach a "consultative secretariat" sitting continually in London, naming the officers, defining the questions for consultation with the British Government and between the oversea Governments. Sir Joseph Ward had opposed "what one might term a separate office, carried on in the Old Country as an intermediary between the respective Premiers during the recess." He preferred such a channel

through the High Commissioners. But he found himself obliged to mention "the fear of his Government that it might be drawn into purely European controversies without being consulted." At the same time, he admitted that a permanent conference would be valuable in preventing misunderstanding on such points. But he "refused to consider a body with any but consultative powers." The discussion had dropped at last through the confusion of ideas into which it had got. Throughout, Sir Joseph Ward had been very active and vigilant.

In the conference of 1911 he took up the subject with his proposal for an Imperial Council. After the failure then, he followed it up two weeks later with a great address—by invitation—at the Imperial Colonial Institute. Here he recognised, of course, that in the trend of great affairs principles are the basic guides of thought. But one cannot dwell for ever on principles. That is the character of merely academic discussion. In the world of affairs there must be a beginning of application. A complete system is impossible in the first stages of constitutional policy. One must proceed by experimental degrees, with readiness to profit by actual experience, which is better than any theory.

So we see what Sir Joseph meant with his suggestion for an Imperial Council. He withdrew it—escaping, in fact, a unanimous rejection. But in making the withdrawal he declared his belief in its inevitable eventual acceptance by the shaping of the rough-hewn block of his offering.

He had referred to this as an instance of the educational value of Imperial Conference. In most new things the value of education in them consists in guiding the steps by gradual progression to the final complete whole.

It will be recognised in the future, if it is not indeed recognised now, that the value of a good

deal of the work done at Imperial Conferences by Sir Joseph Ward, of New Zealand, was educational, imparted by practical suggestions in advance of his time. Thus he is seen to possess essentially the leading faculty.

In this case the suggested Imperial Council, for instance, the discussion which went against the suggestion was certainly of educational value. The lines of the suggestion did not fit the lines of a sound federal constitutional policy. And they were not intended to do so. He showed where, and how, the lines proposed did not fit, the way was cleared toward showing how and where the fit may be effected. And dynamic force was given to the educational process by Sir Joseph's absolutely correct declaration that the only alternative to the fitting is disintegration.

A vague impression is held by sections of the Dominion's public that in the conference of 1911 Sir Joseph realised the favourite metaphor of the critical world with his Imperial Council, that is that he sent up a very futile rocket, of which the stick fell back cold after discharging an ineffective brilliance. Only that, and nothing more. In that matter the good service he did by his trial proposal to the Imperial cause was shown in the last chapter. The other services he did at that conference have now to be noted. It is worth while, for they were many.

The conference of 1911 went through a very large agenda paper. In 12 days it discussed 36 important questions of the Imperial relation, of which it resolved acceptance (with, in some cases, modification) of 28 proposals, and rejected (or caused the withdrawal) of eight.

Of these questions 17 were sponsored by the New Zealand Prime Minister, nearly half of the 36. And in each he proved himself a strong advocate, well informed at all points of experience, and well

versed in thought, readily amenable to reason, courteous to all, and quite well understanding the wants and interests of all. In addition to the subjects of his own (and his Dominion's) initiative, he took part with ability, understanding and sympathy in many, almost all, in fact, of the other matters of the agenda, discussing as an equal with equals. It is indeed strikingly characteristic of this conference that all the statesmen rose to that level of equal discussion—a thing to be expected in the British statesmen, but in the oversea men agreeably surprising.

The subjects in which initiative resolutions were proposed by the New Zealand Prime Minister dealt with the publicity of the proceedings of the conference, the reorganisation of the Colonial Secretariat, an Imperial Council, the interchange of civil servants, extension of the Dominion power over the shipping laws, uniformity of law on copyright, trade marks, patents and companies, with reciprocity in the law dealing with destitute persons with naturalisation, and an Imperial Court of Appeal; with the injustice of the double income tax, and with the coinage and currency. Also, there was the question of a State-owned Atlantic cable, a State-owned telegraph line across Canada, the development of telegraphic communications throughout the Empire, the great subject of universal penny postage, an all-red mail route, and the abolition of stamp duty on Colonial bonds issued in London.

In addition to this large budget of agenda, he moved the resolution for adopting the Declaration of London, which the conference carried, the Australian representatives abstaining from voting. On the question Sir Joseph said at the conference that

> "after grave consideration he had come to the conclusion that under the Declaration foodstuffs would not be exposed to so much risk as at

present, and from that point of view the Declaration should be supported. The proposal to establish an International Court, to which appeals could be made, which must always have a majority of neutrals upon it, was a great improvement on the present system of a Court composed chiefly of officers of the opposing belligerent countries. The suggestion of a new method by which cases could be tried, as against the existing unsatisfactory method, was a great step in advance. The crux of the whole position, from the point of view of both Great Britain and the oversea Dominions, was the maintenance beyond any doubt of the supremacy of the British Navy. Keep the Navy so powerful that the British routes could be thoroughly protected, and there was not the slightest chance of the Declaration of London being put to the test.

"He thought it of material importance that the different Dominions should be consulted in these matters and given an opportunity to express their opinions before final decisions were arrived at, and he much regretted that it had not been done in this instance. On the whole, though all that he would like was not provided for, he was not prepared to support rejection."

In the discussion that followed, a resolution was passed affirming the point raised by Sir Joseph, that the Dominions must in future always be consulted in such matters, and the president announced that Sir Edward Grey, the Foreign Secretary, had undertaken to see it carried out. After that, Sir Joseph, declaring that, nevertheless, he saw "much good by way of advance in the Declaration," moved its ratification. The motion was carried, the Australian representative not voting.

CHAPTER XXIV.

Declaration of London—Honours at Conference—Review of Conference—Work by Ward.

The majority of the British Press was vehemently against the Declaration of London. Therefore the acceptance by the Imperial Conference incurred rather severe condemnations. This was also the view of the majority of the British commercial world, as it was, of course, the view of most of the officers of the British Navy. In that view the rights of Great Britain at sea were largely surrendered by the Declaration of London. It was widely held that in war the security of all British oversea supplies would be very gravely endangered.

Mr. Fisher, the Premier of the Australian Commonwealth, had strongly condemned the Declaration, siding with the majority of the British Press and the commercial interests, as voiced by the British Chambers of Commerce and the naval officers, who stood to a man for the old system, which gave them paramount power. When the matter was discussed in the Imperial Conference it was made very clear that the British Government favoured the Declaration. Mr. Fisher, for this reason, abstained from voting on the resolution to ratify the Declaration. That resolution was, as we have seen, moved in the conference by Sir Joseph Ward. And for that he came in for some public criticism at the hands of the majority side of the Press of Great Britain.

Sir Joseph, in an interview with a representative of the "Evening Standard," stood to his guns manfully.

"The Declaration," he remarked, "has received a great deal of consideration from people, both within and beyond the shores of the British Isles. It presents many difficulties, and there is room for

wide differences of opinion upon some of the details. The representatives of the overseas Dominions, approaching the matter with absolutely independent minds, arrived at a decision which they believe to be best in the interests of the Empire generally.

"If Great Britain could, without force, have improved certain of the articles, naturally the Declaration would have been more acceptable; but as the result of close examination and careful consideration of the Declaration as a whole, before I left New Zealand, and after my arrival here, I have arrived at the conclusion that the good which it contains, and the distinctly improved protection it gives to neutral ships conveying foodstuffs from the great producing oversea Dominions, called for confirmation by the conference. I also take the view that the International Prize Court to be set up is a great advance upon the present position of affairs, which gives a belligerent country the final decision as to compensation for the destruction of ships or cargo.

"It is a plausible argument to suggest that there should be a larger number of British representatives in the composition of the International Prize Court, but the view I take is that there are eight great Powers, and, if the smaller Powers that have representatives on this Court did not exist at all, Great Britain could not expect to be in any other position than a minority; and as the Court is to consist of not less than nine, and not more than 13, the eight great Powers will still have the determining voice.

"It is not possible on any International Prize Court for Great Britain, or any other country, to have such representation as would give it the power which some people desire Great Britain to have. On the whole, it is infinitely better to

accept the Declaration, with all the good it contains, and the advance it represents, than to reject it, which was the alternative. In any case, the decision of the conference was arrived at from honest conviction."

The work of this conference was reviewed by Sir Joseph in his last speech thereat. It was a speech seconding Sir Wilfrid Laurier's resolution of thanks to the Imperial Government for its kindly reception of the oversea Premiers, for the courtesy and understanding of the Prime Minister's presiding, for the extensive and splendid preparation which had so greatly helped the work of the conference by supplying all the information necessary for the discussions which travelled over such a vast variety of subjects.

How necessary that preparation was Sir Joseph Ward had said in speaking to Mr. Andrew Fisher's motion regarding the visiting of the Dominions by British Ministers, and for the holding of a conference at some date in the future in one of the oversea capitals. To the second part, Sir Joseph objected that, without the machinery for the conference provided in London, no conference would be possible, and that to transport that machinery overseas would be impossible. Later, Mr. Asquith took the same view about holding a conference at some place overseas and gave a brief sketch of what Sir Joseph had called the machinery necessary for the effectiveness of Imperial Conferences. "In London," he said, "all the trained staffs and accumulated records were at their disposal. With the best will in the world, that could not be the case if the conference met elsewhere, and the usefulness might consequently to some extent be impaired." Sir Wilfrid Laurier, in his later speech moving the last resolution of the conference, gave the credit for this "machinery" to the Rt. Hon. L. Harcourt, Secretary for the Colonies,

who had provided the documentary information each day and arranged the agenda throughout. To this appreciation Sir Joseph added considerably, "as one who has attended ten important conferences of various kinds," in seconding the motion of the veteran Canadian statesman. For the important duty of seconding the motion, Sir Wilfrid said he had selected his friend Sir Joseph Ward as, like himself, he was one of the oldest members in conference service; a fact, the mention of which recalled Sir Joseph's services at previous Imperial Conferences, to which there had been many references in the proceedings of the conference of 1911. In his selection of Sir Joseph for the seconding of the final resolution, Sir Wilfrid had recognised the right of seniority, to which everyone present agreed that Sir Joseph had added the claim of outstanding ability of initiative in debate.

To this claim can be added the fact that it was left to Sir Joseph Ward to review the proceedings of the 1911 conference, which he did in his seconding speech. The review was described by Mr. Asquith, the British Prime Minister, in his reply, as "an exhaustive summary." This summary it will be interesting to quote, and, moreover, it is necessary, as we are not attempting to describe the conference proceedings in detail.

"May I also say," Sir Joseph began his review, "in supporting this motion, that it is desirable of recognition what a vast amount of good the conference has done. When we remember the questions that we have dealt with, it will be seen how important the work has been, and how valuable it is and will be to all parts of the Empire. . . . On the all-important question of defence the information which has been furnished to us has probably never been of greater value to the overseas representatives than upon this occa-

sion. It will be most valuable to our countries. To ourselves the difficulties of the Home Government in connection with Empire Defence are more clearly understood.

"Then the discussion of the machinery of government on purely Imperial matters has been very interesting. The views of the members of the conference on record here—differing as they do on many points—are to my mind very valuable in regard to the work we have done in reference to this important question, and even though it be of a negative character so far as a decision is concerned, the discussion was a most valuable one.

"The matter of consultation with the Dominions regarding treaties is a very important one, and marks a great step forward. The Declaration of London has been considered with the Home Government as affecting the oversea Dominions very fully and carefully by the representatives present, and the decision arrived at was come to without bias, as also without any pressure."

This was evidently said to meet the declarations of some newspapers that the Home Governments had not only pressed very hard at the conference, with all the weight of its position, but had actually bribed the conference by opening the secrets of the Foreign Office to get the Declaration ratified. The review proceeded.

"The great work in connection with the Imperial Court of Appeal is, I think, an important one, and I hail with supreme satisfaction the action of the British Government with regard to it.

"Then we have had a discussion on naturalisation, which, to my mind, is extremely valuable to all parts of the Empire and to many people who will be affected.

"As the outcome of the efforts to obtain uniformity in that respect, the Imperial operation of judgments and awards of our courts, which has been decided upon by this conference, is also of very great value.

"The matter of Shipping and Navigation laws which we have discussed is of infinite importance to the respective countries who are so much concerned regarding it, and who require to see that the products of their countries are carried under proper conditions, and the valuable expression of opinions coming from the members of the conference on this point adds, in my view, to the weight of the work which this conference has done."

In this matter of the shipping laws the discussion embraced the employment on British ships both of foreigners and Lascars, and dwelt long and sometimes rather painfully on the admission of Indians to the Empire or their exclusion. So much was there to say on this subject—Lord Crewe, the Secretary for India, who was exceedingly well posted upon it, going so far as to say plainly that the unity of the Empire depended on the manner of its handling—that much of the conference's time was given to it. Discussion was facilitated by the fact that Lord Crewe, who had served as Secretary for the Colonies before going to the India Office, had intimate knowledge of the views of both the coloured and white races. Moreover, the discussion was distinguished by the great frankness with which the overseas Premiers expressed the strong determination of their people to adhere to the white ideal. At the same time the utmost respect to opposing opinions was paid throughout, and every proof of sympathetic understanding was given. Readers of the full report issued, supplementing the precis—a remarkably good one—published all over the Empire during the conference, will readily see

that if this great colour problem is ever solved, it will only be through discussions of the sort that was carried on during this conference. Sir Joseph did not stress the matter in his review, but he took his part during the discussions with the adequate ability and the sympathetic understanding that characterised the conference's treatment of the matter.

CHAPTER XXV.

Review Continued—Universal Penny Post—Established in New Zealand.

The review proceeds:—

"The effort to have uniformity of laws is a wise one, even though it may not produce practical results for some time to come.

"The important resolution which Sir Wilfrid Laurier moved for the setting up of a Royal Commission (for the examination of treaties) would, if nothing else had been done at this conference, in my opinion, show that the calling together of the representatives of the oversea Dominions in conference with his Majesty's Minister have enabled us to take a broad and a practical view of the need for investigating the difficult and complex questions affecting the trade of the different portions of the British Empire.

"May I also acknowledge the useful work the respective other Ministers have done at this conference. Sir Edward Grey (Foreign Secretary), in the very lucid and important statement he made, has given us valuable information which we shall all remember with the greatest pleasure in our respective callings and the busy lives we lead in our own countries. So, also, with regard to the statements made to us by Mr. Buxton, Lord Haldane, the Lord Chancellor, the Postmaster-General, Mr. Burns and Mr. Lloyd George. The presence of these representatives of the Home Government at this table has given us from time to time an insight into some of the difficulties which we cannot see so far away from the Old Country, and that insight into these matters will be of great use to us and, probably, I am right in saying that our views, if not fully concurred in,

will yet be of some use to the Ministers controlling the affairs of the Old Country."

In his reply, the president of the conference, Mr. Asquith, spoke very strongly of the good work done by the conference.

"If I were asked," he said, "to define what has been its dominant and governing feature, I should say it has been the attempt to promote and develop closer co-operation through the old British institution of free and frank discussion.

"Gentlemen, you will agree with me that the value of the conference and its permanent results are not to be judged entirely—although, in that respect, it need not be afraid of comparison with any preceding body of the kind—but the actual resolutions which it has affirmed and the proposals which it has adopted. I agree with Sir Joseph Ward that some of the most valuable—perhaps the most valuable—use to which we have been able to put our time, has been in the consideration of matters which we have deliberately abstained from coming to any, for the moment, definite conclusion upon. We have cleared the air, we have cleared the ground, we have got to a better understanding of our relative and reciprocal requirements. We see, if I may venture to say so, in truer perspective and proportion the bulk and dominance of not a few of our Imperial problems; and that is a result which could never have been attained in any other way than by the assembling together of the responsible statesmen of the different parts of the Empire, to hold a perfectly free interchange of opinion, each presenting those aspects of the case with which he himself, from his own local experience, was exceptionally familiar. It is the bringing together into the common stock of all those various contributory elements of experience and knowledge which I think will make us go back to our various

tasks better equipped for their performance than we could possibly have been if we had not been here.

"Gentlemen, this is the first time when, in Mr. Fisher's happy phrase, the representatives of the Dominions have been admitted, as it were, into the interior, into the innermost parts of the Imperial household; what, in the old classical phrase, were called the *arcana Imperii* have been laid bare to you without any kind of reservation or qualification."

After dwelling impressively on the manner of the admission to this innermost place, and the unforgettableness of the proceedings there, and the inviolability of the secrets revealed, Mr. Asquith passed on to the positive results sketched in Sir Joseph Ward's "almost exhaustive summary," with a brief recapitulation, dealing separately with the outer and inner relations of the Empire. In the first, he gave prominence to the resolution affirming that in all treaty matters there must be consultation of the Dominions, and to the Laurier resolution for a Royal Commission to review all existing treaties and arrange for power of withdrawal for any Dominion choosing to do so. In the latter, he gave first place to the Imperial Court of Appeal, conceding that under the old system the Dominions had substantial grievances which they had aired at the conference with great and commendable moderation, and declaring his belief on the beneficial character of the change, which would never cease to inspire confidence all round.

Speaking generally, in conclusion, he said:—

"Gentlemen, those are all very solid, practical results. They are results which, I believe, could not have been attained, or at any rate could not have been attained so rapidly or so effectively, except by the procedure of the conference. And

when we survey the situation as it is to-day, after the experience we have had during the past few weeks, with the situation as it stood when we first assembled round this table, I am perfectly certain, although many of you have come here at considerable sacrifice of personal convenience and, possibly, some detriment, for the time being, to the carrying on of public affairs in your own Dominions, I am satisfied there is not a man seated at this table who does not feel that those sacrifices were well worth while, and, as I said before, we shall all return to our respective spheres of duty with a stronger sense of our common obligations to the Empire, with a more complete confidence in one another, and with a more earnest determination to work together for the good of the whole."

There have been other conferences since the 1911 conference, held in war, when the manhood and treasure of the Dominions were prodigally poured out for the common Imperial good, conferences which merged into co-operation of all parts of the Empire in the counsels of the war itself. How all this later development was due to the fine work of the conference of 1911 must strike all readers of the reports of its proceedings. That conference made the first solid step in erecting the machinery of Empire, based on the foundation of the sentimental bond. It is a source of gratification to his country, and a source of pride to his friends, that Sir Joseph played so fine a part in that historic meeting.

"I am a life-long believer in the universal penny post," Sir Joseph Ward told the conference of the World's Postal Union at Rome in the year 1906. In the later 'eighties he had talked in Wellington of the matter with Mr. Henniker Heaton, who had then become distinguished as the untiring, determined, and versatile champion of universal penny postage. Mr. Ward, who had already, as we have seen, made

a name for himself in the House of Representatives by his very comprehensive handling of the San Francisco-New Zealand mail question, impressed that gentleman by his ready, reasoned acceptance of universal penny postage. Mr. Henniker Heaton was at the time crusading in the Colonies in favour of his doctrine, scattering propaganda, interviewing Ministers, politicians, business men; everybody, in fact, of any influence or position. Speaking in Melbourne on his way back to England, of his experiences in New Zealand, he referred in glowing terms to the young M.P. who had taken up the subject of universal postage, declaring his belief that if the young M.P. were to go Home he would easily enter Parliament and attain Cabinet rank.

When the young New Zealander got into the New Zealand Cabinet as Postmaster-General—thanks to Mr. Ballance's appreciation of his merits—he lost no time in doing practical work for his favourite idea. In 1891, his very first year of office, he succeeded in getting legislative authority for the Government to establish penny postage in New Zealand, and on reciprocal terms with any country which might be induced to adopt that great postal reform. That was the first notable exercise of the great Ward power of initiative with corresponding ability to secure support.

But Mr. Ward had to be content for a time with his success in clearing the legislative way. Though endowed by Parliament with the power of establishing universal penny post, the Postmaster-General found himself facing difficulties which appeared to be overwhelmingly strong. Of these the greatest was the certainty of considerable loss on the considerable reduction of the postage rate. These difficulties delayed the establishment of the penny post in New Zealand for eight years.

The Postmaster-General was convinced by a train of logical reasoning based on many facts, and probabilities which he regarded as certainties, that the first loss on the postage reduction would be made good before many years, and would then turn into a surplus, with New Zealand in possession of the full benefits of the great, much-desired, and carefully planned, postal reform. To persuade other people, however, was another matter, and the great section of "other people" contained in its ranks many experienced postal officials.

He was struggling manfully with these difficulties in discussion at home and correspondence abroad, when business misfortune interrupted his political career. Even then he never ceased to attend with energy to the matter. And on his return to politics he took up the subject again, practically, and found the difficulties much diminished. In fact, all those in the way of immediate establishment of the great reform of penny postage in New Zealand had been conquered. Mr. Ward was gazetted Postmaster-General on December 21, 1899. On January 1, 1901, he established universal penny postage for New Zealand, and launched the great reform into the new century.

It was a memorable occasion in Wellington. The customary New Year demonstrations were reinforced and eclipsed by the display at the Post Office. There was a huge crowd, attracted by the announcement of the Post Office programme. On the stroke of midnight the big Post Office building broke into a blaze of light, red, white and blue. The tower and front were splendid, and every window carried some illuminated device or inscription. Lantern slides showed the three stamps in use, and a huge central representation of the stamp about to supersede them. This universal penny stamp dominated the general brilliance, and there were many flags.

Rockets went up into the windy sky, and bombs resounded, the whistles and sirens and bells of the shipping accompanying with their usual clatter, and there was much shouting in the square and along the wharves.

CHAPTER XXVI.

Inauguration of Universal Penny Post in New Zealand —Postal Union Conference, Rome in 1906—Great Speech for the Principle.

Behind the illuminations and decorations and noises there was an historic ceremony. The Executive Council had met in one of the rooms half an hour before midnight, the Acting-Governor presiding. The new postal regulations, necessary to the momentous postal departure, having been read and approved, the Council took up the ceremonial part of the proceedings, adjourning to the large corridor, where the heads of the Government departments, and a large number of the postal officials, were assembled, under the presidency of the vice-chairman of the Post and Telegraph Officers' Association, Mr. A. C. Morris, the chairman, Mr. W. Levy being unavoidably absent.

When all were assembled, Mr. Morris made the presentation, arranged and prepared by the Service, to its honoured Postmaster-General, Sir Joseph Ward. It was a handsome gold medallion, suitably inscribed. In presenting it, Mr. Morris said that, when the idea was first mooted, it had been eagerly taken up by the whole service, and subscriptions had come in from every post office in New Zealand, from Bluff to the North Cape. With the medallion was a splendid illuminated address commemorative of the occasion, the greatest in the history of the New Zealand Post Office, the document recording the very wide subscriptions which had brought it into existence.

When the vigorous cheering subsided, the Postmaster-General replied with characteristic feeling and power. He declared the occasion great in the history of the Colony and greater in the history

of the Post Office of New Zealand. To be a member of the most Southern post office in the world which had given this great deed of postal reform, was a great cause of pride to them, he said. To him, who shared that pride with his comrades of the service, they had added the gratification of the very handsome present with which they had honoured the occasion; and the gratification would extend to all those who would be directly and indirectly affected by the reform. All New Zealanders would be proud that their country had taken this great forward step, and they would not readily forget the demonstration of that day. For himself, he would always treasure the memory of the presentation by the officers of his department as marking a most important epoch in the history of the Colony. This would, he predicted, be an historical gathering. He briefly sketched the difficulties he had had to face in his effort to bring about this postal departure, efforts he had begun in the year 1891—as soon, therefore, as he had received his first appointment as Postmaster-General. He said that the step taken that day meant an immediate loss to the country of £30,000 a year, but he was not dismayed by the largeness of that sum, because he was convinced that the loss would be made up in a very few years. He felt sure, moreover, that, if that recovery did not come about, the increased convenience enjoyed by the users of the Post Office would entirely outweigh any loss the Colony might suffer in revenue.

He concluded with a most interesting brief review of the postal services of the Continent of Europe and Great Britain—incidentally showing how deeply he had studied the subject in his preparatory period of propaganda. And he paid a high tribute to the work of Mr. Henniker Heaton, M.P., the apostle of Postal Reform in the Old Country. He also spoke highly of the wise direc-

tion of postal affairs in New Zealand by Sir George Grey in the early days, when population was small and scattered, and everything had to be improvised under a handicap of cash scarcity.

Coming to Australia in his review, he regretted that great country's inability to join them in this universal penny postage. But that was due, not to unwillingness, for the statesmen of Australia had expressed their approval of the penny post system, but to the fact that the States of Australia could not deal with the matter, the Commonwealth not having yet been established and inaugurated. He read the telegram he had received from the Hon. Sir Edmund Barton in reply to his request for co-operation in the universal penny post.

"Reciprocate your good wishes and appreciate spirit of your offer. No Federal Postmaster-General at present, and no Federal Post Office for some time yet. Your present proposal therefore solely for separate States. Compliments of the season."

This ended the formalities of the great occasion.

Mr. Ward, as Postmaster-General (appointed December 21, 1899), announced the event by cable all over the world. The coming of the event had been announced in the Budget of the Colonial Treasurer —the Hon. R. J. Seddon—of August 1, 1900.

> "On and after January 1, 1901, a penny postage system will be established within and without the Colony."

He estimated the loss at £30,000 a year, declaring it would be but temporary, and eventually would add considerably to the revenue.

Mr. Ward was appointed Postmaster-General on December 21, 1899, before the Budget of 1900. Thus the honour of inaugurating the great reform and announcing it to the world came to Mr. Ward. It was generous and just of Mr. Seddon.

As the years went by, concessions were added, with reductions to newspapers and periodicals, postal packets and commercial paper, all increasing the convenience of the postal system to the users. Correspondence developing in this way, the business of the people increased, commercial benefits increased, the exchange of ideas became greater. Above all, the Postmaster-General's prediction was verified. The £30,000 loss of revenue was made up, profit replaced loss in the working account, and the profits paid for further concessions.

On the telegraph side the plan of reduction of charges was tried and became, in the sixpenny telegram, which replaced the shilling message of 12 words, a huge success.

It may be added here that, during the Great War, these cheapened charges were put an end to. But that was not a sign of any failure in the system. The war decreased correspondence of all kinds, and money being required in increasing quantity for the public service, the Post Office had to be used as a taxing-machine. That was, of course, contrary to the basic principle of all postal systems, as Sir Joseph Ward always declared throughout his penny postage propaganda. But war is war. After the war the penny post was restored and has satisfied all aspirations, predictions and requirements.

It was according to the fitness of things that the honour of knighthood came to the Postmaster-General at the turn of the year, immediately he had set up the universal post in its high and conspicuous level.

The Conference of the Postal Union, to be held at Rome in 1906, was universally expected to be very important. Men said it would make a great landmark in universal postal history. Sir Joseph Ward was determined that, if he could manage it, that landmark should be universal penny postage, with all the nations of the world in enthusiastic accord.

It was a bold game for the statesman of a remote country of less than a million people. All the more, as the world had turned down his proposals for reciprocal agreements for penny postage. Only ten small States had made uni-lateral agreement, and but one had by a bi-lateral agreement accepted universal penny postage. But Sir Joseph had in his hand (so he thought) a strong trump card. It was the great success of the universal penny post he had established five years before in his own land that was enough to give courage to his optimistic mind, and rouse his resilient temperament. So he attended the Roman Conference of 1906 as Postmaster-General of New Zealand.

It was an impressive gathering, and unique. Practically every nation and country in the world was represented. And every sign of goodwill, goodfellowship and good understanding was with them. If the gathering could be called motley, the world Postal Union could be regarded as a real union of co-operators in a great work of civilisation, united in aim, and experienced in practice. With this thought in his brain, Sir Joseph sat at the great banquet given to the conference by the Postmaster-General of Italy, viewing the scene with hopeful enthusiasm. Here, at last, was the opportunity he had longed for ever since that memorable hour of 1891—15 years back—in which he had obtained from his own Legislature the permission to go ahead with his scheme of universal penny post. With that permission he had conquered the difficulties in the way at home. What was there to prevent him conquering the difficulties abroad, stopping so many of the nations here represented on the way to the reform they approved in their hearts?

True, it had taken him eight years to scatter the lions on the home path. But he could surely rely on the evidence of his own exploit to do that

for his colleagues of the congress—all men of goodwill and excellent understanding and much experience—here and now.

At the conference he bravely moved his motion for the adoption of the great reform, and made good use of the supporting facts of the New Zealand story. If ever optimism was justified his was on that day in the Conference of Rome. But he did not rely on optimism; and enthusiasm he allowed to colour his speech. But he moved with the cool wariness of the practised warrior. With great tact he avoided all appearance of offensive dictation; with much care he was smooth in his treatment of prejudice, which he never called by its name; moderate he was in reasonably exploiting the verbal encouragement he had universally received; making the most of his large stock of favourable evidence, he formed it into a mighty lever of appeal, without a flaw in its aspect or a weak fibre in its staple. He extended that appeal to all the best qualities of men—generosity, pride of race, humanitarianism, commercial eagerness, love of education, desire for comfort, friendship and the accord of nations; going even so far as to speak of the great Postal Union as a very great factor in securing the permanent peace of the world. Needless to say, his financial demonstration was perfect. How much was lost at the outset in New Zealand six years ago—that £30,000 of his speech of the Post Office gathering on the night of the illuminated rejoicing and the handsome presentation—how much was recovered in the year of growing revenue, backing this with the similar story of the reduction he made in the telegraph system—it was a complete presentment in the franc of France and in its equivalent in the sterling of the British Empire.

His basic argument, that the Post Office ought not to be a taxing-machine, found him at his wari-

est. The fact that the Post Office was so used in some countries was obvious, but he did not say so. He merely declared his belief that in such cases the statesmen were not responsible, as circumstances beyond their control had overwhelmed them. But New Zealand had blazed the trail through all troubles. He would rely on that evidence to encourage others to take that trail.

CHAPTER XXVII.

Failure of the Main Proposal—The Principle Accepted—Honours for New Zealand Postmaster-General.

The day was not far distant, he felt sure, if it had not already dawned in Rome, when the universal penny post would be really universal. At the same time he guarded himself against the supposition that the adoption of his motion meant the compulsion of every nation of the Postal Union to revolutionise its postal system forthwith. That would be a very serious misunderstanding. All it meant was the adoption of the principle, leaving each government to work its way through the difficulties.

In his reference to the postal systems of the world he refrained from details, leaving the various representatives to handle them. He contented himself with pointing out whatever signs there were of growing favour to the universal penny post.

He drew the attention of the conference to the fact that he, with the consent of his colleagues of the Cabinet, had, on January 1, 1901, had the pleasure of announcing the establishment of penny post in New Zealand to every point of the civilised world; and he invited the members of the conference whose governments had favoured the penny post in any way, to help the cause by giving the conference the details he had left for them as he had said.

This appeal was to Canada—where the inland penny post had recouped all losses—to Egypt, of the same experience; to Germany, Austria and Hungary, all of which have the penny post in operation; and Britain, the 69-year-old pioneer of penny postage. These appeals, with the fact that the losses at the start on inland penny postage are always greater than those on the foreign side, arguing that successful application of penny post in a country of

small and sparse population like New Zealand, must be surpassed by countries more largely and more densely peopled. In short, the New Zealand Postmaster-General, who had succeeded, left no stone unturned in his brave and most able effort of persuasion of the world's representatives to do likewise.

It was the speech of a finished diplomat with a great advocate's instinct of swift appeal.

The resolution he moved after this speech dealt with the Fifth Article of the Postal Union Convention of Washington, 1897, which had fixed the postal rate throughout the civilised world. This Article provided:—

(1) The rates of postage for the conveyance of postal articles throughout the entire extent of the union, including their delivery at the residence of the addresses in the countries of the union, where a delivery is, or shall be, organised, are fixed as follows:—

(i) For letters, 25 centimes in case of prepayment, and double the amount in the contrary case, for each letter and for every weight of 15 grammes or fraction of 15 grammes.

Sir Joseph Ward (New Zealand), Article V. being under discussion, moved that in sub-section (i) of section (1) "10 centimes" be substituted for "25 centimes" for letters within the union for 15 grammes weight. This motion amending section (1) of the Fifth Article he had supported with his able, closely-reasoned and optimistic speech as above described.

The motion was seconded by Saba Pasha (Egypt) who, after paying a tribute to the spirit —I quote from the official report—and initiative of the New Zealand Postmaster-General, stated that

the experience of New Zealand subsequent to the lowering of the Postal Tariff was similar to the experience of all other countries which had made reductions. In Egypt results had surpassed all expectations. In addition to the advantages enumerated by Sir Joseph Ward, the reduction of the international rate would confer a great benefit on the millions of emigrants scattered over all the world. Each of the proposals submitted to the congress (in regard to postal rates) constituted an advance on the existing regime, but that of New Zealand approached the nearest to the fundamental principle of the union—Article I.—which pronounces that the countries of the union form but one postal territory. The principle would only receive its full application when all differences between the international tariff and the internal tariff of each country disappeared.

At this stage the Japanese representative moved the Japanese Amendment to Article V. by a reduction to 20 centimes, and supported it in a set speech. The debate was long and critical, largely of Sir Joseph Ward's speech.

Sir Joseph Ward, replying for New Zealand, insisted on the serious and practical nature of his proposal. He fully recognised that the financial side must be carefully considered by every country; but he contended that the case he had developed in his previous speech was such as to dispel apprehensions of this sort, and other objections and criticisms made in the debate. If, however, his motion was not adopted, he would vote for that of Japan, which marked a step in advance. "Half a loaf was better than no bread," and he would do his best to secure the remainder later.

The conference, which had strongly applauded Sir Joseph's main speech, as well as the supporting speech of Saba Pasha, rejected the motion, the voting being, Ayes, 3; Noes, 18; abstentions, 4.

Ayes: United States of America, Australasia, Egypt.
Noes: Germany, Argentina, Austria, Belgium, Denmark, Spain, France, Hungary, Italy, Mexico, Norway, Holland, Portugal, Russia, Sweden, Switzerland, Turkey, Uruguay.
Abstentions: Canada, Great Britain, India, Japan.

Sir Joseph had deserved success, but he had not commanded it. He could not have been surprised, as he had been in communication with all the countries of the Postal Union, immediately he had established the penny post in New Zealand, informing them of the fact, and requesting co-operation if possible. He had received favourable replies only from ten small States, of which only one had agreed to the bi-lateral arrangement, giving the penny post to both sides, the others agreeing to the uni-lateral arrangements, binding them to accept without surcharge New Zealand letters at a penny, levying the old union rate on their own letters addressed to New Zealand. All the great countries, and most of the small ones, had refused co-operation. Even Great Britain had refused the special request of New Zealand for support at the Convention of Rome, 1906.

Sir Joseph had entered on his Roman campaign, therefore, with full knowledge of the minds of the members of the Postal Convention. He had determined to try for his object by personal appeal, which often succeeds where written correspondence has failed.

His appeal was bold, for it asked the world to accept the tremendous reduction to a penny from its fixed agreed charge of twopence-halfpenny. That he probably regretted the largeness of the step he had proposed, may be surmised from his expression of readiness, in case of rejection of his motion, to support the Japanese proposal for a twopenny service, as a step in advance—"half a loaf is better,"

he said, "than no bread"—declaring his determination to try for the remainder at a later date. The debate in the convention on his ably supported motion had shown him that he had asked too much. True, he had safeguarded the motion by making it clear that he was only asking acceptance from the convention of the principle, leaving its practical effect on the ratification by the governments and peoples concerned.

But whether disappointed or not, Sir Joseph did not lose heart. On the contrary, he gathered his forces for another effort. Rather than let the great objective stagnate where it was for ten years till the next congress, he would move it forward into the world of things progressive and moving. He made the attempt with the following resolution:—

"That in view of the enormous social and political advantages, and the very material and commercial advantages to accrue from a system of international penny postage; and of the further fact, that any depression of postal revenue resulting from the adoption of such a system has now been proved to be only temporary in duration and inconsiderate in amount, this conference recommends to his Majesty's Government the advisability of, and when suitable opportunity occurs, approaching the governments of those States, members of the Universal Postal Union, which have hitherto declined to agree, either to an interchange of letters at a one penny rate, or to accept of letters from abroad at the same rate, to a more general and, if possible, a universal adoption of that rate."

The adoption of this—Sir Joseph's second resolution—made the success of the great speech he had made in favour of his first resolution in which he was defeated.

It was a great triumph for the New Zealand Postmaster-General, who had, 15 years before this, made the first step toward the establishment of universal penny post. That step was the obtaining, from Parliament for the Government of the country, of permission to start the penny post system whenever it might be found possible and convenient.

CHAPTER XXVIII.

Progress of Universal Penny Post—Praise from Henniker Heaton—Premiership of Sir J. Ward—Details.

That was what New Zealand had done—was, in fact, how she began the move toward universal penny post. He asked the conference to do likewise, and the conference consented. Sir Joseph had succeeded in setting up a leading landmark in the world's postal history. He had got "a move on" when stagnation reigned supreme.

Some concessions were made, and before the conference separated, New Zealand was allotted a separate vote for all conferences of the International Postal Union.

After the conference the results began in the shape of various agreements toward universal penny post, made by various nations. Of these, the most important was the establishment of penny post between Great Britain and the U.S. of America. This was begun on October 1, 1908. The periodical "Philatelist" called it the most important step made toward universal penny postage since the inauguration of internal penny postage by Great Britain under Sir Rowland Hill, the famous Postmaster-General 69 years ago—viz., in 1849. "Universal penny postage had not arrived," said that authority, "but practically the English-speaking race all over the world now enjoys the boon." The same writer referred in eulogistic terms to Mr. Henniker Heaton as the chief pioneer of the movement. And well he might, for the labour of that pertinacious pioneer was both long and tremendous. They were not confined to the large literary volume of his propaganda, which included insistent voluminous correspondence with the British Government, but extended to offers

of substantial financial guarantees. At this moment, however, the M.P. for Canterbury did not think of accepting the whole credit for the successful progress so far achieved. He remembered the energetic bold efforts of his friend, Sir Joseph Ward, on the fateful October 1, 1908. He wired his cordial thanks to New Zealand for helping forward the cause of penny postage between Great Britain and the United States of America, now coming into force.

When Mr. Seddon died, Sir Joseph Ward was on his way back to New Zealand from the Postal Conference of Rome of 1906. He had reached New York, where a telegraph message reached him at six o'clock one morning informing him of the death of his chief. Needless to say that he was greatly shocked, needless to suppose that he did all in his power to hasten his journey to Wellington. He was, of course, the only possible successor. Not by seniority alone in the Cabinet, but by his multifarious, wide-reaching work in statecraft, universally recognised, and by the qualifications for leadership he had shown during his service as Acting-Premier. It behoved him to hasten, and the comic artists and inveterate gossips of politics of his country made the most of the opportunity with caricatures and tales "on authority" and predictions. While train and steamer were bringing Sir Joseph home at their best usual pace, imaginations pictured him and Mr. Hall-Jones, the senior member of the Cabinet in Wellington, as racing hard for the Premiership, and when the Governor sent for the latter, and he was gazetted at the head of the old Cabinet, certain wags pretended to believe that Mr. Hall-Jones had won the coveted prize, with the intention of holding it for good.

But there was no need for imagination and no truth in gossip. The plain fact was, that the death

of the Prime Minister having put an end constitutionally to the Cabinet, it was necessary at once to supply the Governor with constitutional advisers. When the House met on June 27, Parliament was opened by Commission. A Speaker was elected by the Representative House—Mr. Guinness taking the chair for his second Parliamentary term—and Mr. Hall-Jones took his place as Prime Minister on the Government benches. The new Prime Minister lost no time in explaining the position. He told the House that there seemed only one honourable course to pursue. And that was, that as his colleague, Sir Joseph Ward, in the late Ministry was senior to himself as a Minister and member of the Executive, he would have been sent for by the Governor had he been in New Zealand. As it was impossible to bring him from his train or his steamer or his hotel in New York, the Governor had sent for him, Mr. Hall-Jones, and he had undertaken the necessary, obvious duty. He said: "While completely unfettered with regard to any course I might take, I consider it right that I should take that course which I believe to be due to my colleague, and which I believe to be the wish of the country." He went on to show how it was his purpose to do this without in any way embarrassing Sir Joseph by taking anything more than formal proceedings. "Honourable members may suggest that, even though I purpose to offer my colleague the position I occupy, we should carry on the business of Parliament until such time as he returned. I have decided such a course would not be fair to him," explaining that any statement of policy on his part might embarrass him, and that he intimated was the last thing he would think of doing.

That honourable decision of the Prime Minister, Mr. Hall-Jones, obtained for him high, unqualified praise from every section of the community, as it did also from every side of Parliament.

The Prime Minister went on to say that the session would be very brief. He announced the Ministry—the old Cabinet, with Sir Joseph Ward holding his old positions. He paid a magnificent tribute to their late chief, Mr. Seddon, to which the leader of the Opposition, Mr. Massey, made warm addition, and several other speakers followed in the same strain. It was a dignified and pathetic scene. Parliament rose, as it always does in such cases, to the occasion, giving the world, in the opinion of competent, experienced co-operators and friends, large reason for warm respect for the memory of the men who have done good, honourable public service in their lives.

Supply obtained, Parliament adjourned on June 29. Sir Joseph arrived in Wellington on August 7. Mr. Hall-Jones promptly placed his resignation of the Premiership in the Governor's hands. Sir Joseph Ward was sent for, accepted the offered position, duly formed his Ministry, and met Parliament in October. When that Government was gazetted, it was found that two members of the old Cabinet—the Hon. C. Mills and the Hon. T. E. Duncan—were not included in the new, the vacancies being filled by two new men, the Hon. Geo. Fowlds and the Hon. R. McNab. The portfolios and positions gazetted were:

Rt. Hon. Sir J. G. Ward.—Prime Minister, Colonial Treasurer, Postmaster-General, Commissioner of Telegraphs, Industries and Commerce.
The Hon. Hall-Jones.—Railways and Public Works.
The Hon. Sir Jas. Carroll.—Native Minister and Stamps.
The Hon. James McGowan.—Justice, Mines, and Immigration.
The Hon. Albert Pitt.—Attorney-General, Colonial Secretary and Defence.
The Hon. R. McNab.—Agriculture and Lands.
The Hon. George Fowlds.—Education and Health.

The new Prime Minister began with honour due to his departed chief. Such great tributes having been recently paid in the House to the great memory, there was left to him a simple expression of his

regret at the necessity for the change made, and his deep grief for the all too early removal of his presonal friend and colleague, a loss he shared in common with the whole country, which had mourned him so deeply.

Nor did he forget the colleagues whose long connection with him had been severed.

"In regard to the Hon. C. Mills," he said, "I, personally, and with every member of my Administration, deeply regret that circumstances, entirely beyond his control, prevented him being appointed to the Ministry.

"So also with regard to my old friend and colleague, the Hon. Mr. Duncan, of whom, I am sure, every member of the House has a very high appreciation. The parting of old friends and colleagues was more painful to me than it was to them, and I can only thank them for their great consideration for me."

It was a disagreeable duty. He did it firmly, and in the doing of it the country sympathised with him.

He passed on to speak of the business before the new Government, concentrating on the need for reasonably early hours of closing each day's proceedings. None knew better than he the toll taken by late hours, and no one knew better the reason of such, often quite-uncalled-for, lateness, and quite as harmful as unnecessary, as his very shrewd remark on the point showed: "So long," said he, "as our business is discussed legitimately, early hours are perfectly feasible." That "legitimately" contained a sharp sting, as he made clear by referring to some notorious abuses of privilege in which members have indulged for the one purpose of motived obstruction; but that very objectionable word was conspicuous by its absence, and all the sentences around where it ought to have been were veiled in the lang-

uage of soft politeness. The House took the exhortation to reform—for that is what it practically was—with the smile of good-humoured convention. It had, however, a real desire to give support to the young Prime Minister in his arduous task.

This, the leader of the Opposition, Mr. Massey, intimated in the welcome he offered. "I wish to congratulate Sir Joseph Ward on the position to which he has attained, and I hope, speaking for the members around me, that when the new Government submits its policy measures to Parliament, they will be such measures as will be likely to conduce to the best interests of the country, and such as we shall be able to support."

It was very handsome of Mr. Massey, and it gave the new Government a good start. Moreover, as a matter of fact, a good many of the measures thus heralded with goodwill, did receive the all-round support of the House.

In these pages some things completed by Sir Joseph Ward in his Premiership have been presented at full length. These were begun by him as a subordinate Minister, and completed in the period of the Premiership. This was done in such cases, for example, as the penny post and the Manawatu Railway purchase, so that the stories might be given in unbroken fashion. This was done in fairness to the subject and to Sir Joseph Ward.

A brief review of the measures placed on the Statute Bok during Sir Joseph Ward's tenure of the Premiership is interesting—and, to thoughtful minds, amazing on several occasions.

CHAPTER XXIX.

The Public Debt—Sinking Fund—The Hydroelectric Policy—Military Training.

In 1906 was begun the great financial reform, which put into practice the theory of the imperative necessity for a sinking fund for the whole colonial indebtedness. Up to this time many men were appalled by the fact that no adequate provision had been made for the eventual extinction of the public debt. The expedient soothing such fears as were expressed was renewal. "When the bonds become due, what?" anxious inquirers were asking all over the country. The answer invariably was, "renew them, of course." "Are we to go on borrowing for ever with that prospect of repayment?" was a question heard every day, everywhere. Many asked, but few thought any more about it. Among the few was the new Prime Minister, and his thinking was to some purpose, for he got an Act passed in 1906, his first year, making a sinking fund compulsory in the case of loans raised for war and defence. This small beginning led, four years later, to the Act of 1910. This was known as "The Public Debt Extinction Act." Under its provisions the drift toward the gulf of renewal as the only possible repayment was stopped, and Micawberism gave way to the principle of thrifty repayment, without which no borrowing policy can be sound.

In the beginning, i.e., at the start of the big forward policy of immigration and public works, the idea of providing repayment of loans by regular contributions to a sinking fund was much discussed. A large section of public opinion insisted on the vital necessity of a sinking fund, and there was considerable controversy, both in Parliament and outside. Ultimately the idea of a sinking fund for a country

committed to a long period of annual loans came to be regarded as absurd. But believers in the doctrine that it is not absurd to pay your just debts held to their faith nevertheless. Sir Joseph was one of them, and being gifted with long sight, strong determination and an unfailing power of initiative, he brought about the great reform of eventual debt extinction. He found that the reform had become a very formidable problem, and he solved it with his fertility of resource. A small loan of the early days had been issued subject to a sinking fund liability, and the sinking fund had, by the year 1910, accumulated to the amount of the loan—one million. Sir Joseph decided to renew that loan and use its accumulated sinking fund as the nucleus of a sinking fund for the accumulated millions of the public debt, and thus, for the small addition of £11,000 to the annual overhead charges, the Act of 1910 brought the end of the public debt into view, the term being 70 years. The Micawber drift was stopped, and renewal became the controlled handmaid of salutary reform. This strikingly successful policy met with some ridicule in Parliament, and outside, and very considerable approval on the London Stock Exchange. The fact is prominently attested by the declaration now made by the New Zealand Treasury in the prospectus of every loan offered to the markets that the country has a sinking fund in full and successful operation. There is much talk of Sir Joseph as an able financier, but this policy proves him to be a sound, as well as able, financier. It would be an unpardonable exaggeration to say that the working finance of New Zealand was ever wholly Micawberish. Nevertheless, it is true that up to 1910 the financial policy was tinged with the Micawberism that depends entirely on renewals for the repayment of loans. That he removed that reproach from the practical financial policy of our country is

one of the great public services standing to the credit of Sir Joseph Ward.

To get back to 1906. In that year the policy of the Ward Cabinet improved the public security against fire by the addition of fire boards, thereby improving the organisation of resistance.

It gave us the great improvement in the criminal law of the indeterminate sentence which now has over 20 years of justifying experience behind it.

For the first time in our history the law gave to the local bodies the right, long wanted and desired, of representation by assessors in the Assessment Courts held under the Act for the Government valuation of land. A great boon in the system of local government.

In the same year provision was made by law for the inspection of private hospitals—an obvious reform, because even the very best institutions—and the private hospital has the right to be so classed—require the help of the overhaul that keeps tight the screws of administration.

The scope of the Workers' Dwellings Act was widened in this year, and the borrowers under the State Advances system were encouraged with a rebate for prompt payment of interest.

The workers obtained increased facilities for getting homes for themselves, the chief of which is the reduction of the initial deposit to £10—the greatest housing scheme, it has been called, in the world. We need not go into superlatives—the superlative always does more harm than good. But this departure has unquestionably done much good to many people.

In this year the superannuation of teachers was improved. The principle had been extended to this branch of the public service in 1905 on the model of the first railway superannuation, and on the inspiration of its success. It was amended in directions suggested by experience.

In 1907 the Customs tariff was overhauled and altered—nearly every article of common necessity being made duty free, the consequence being a reduction in Customs duties of £400,000.

The main reform of this session was the extension of the superannuation system to the whole public service, on the lines of the railway service example, with improvements suggested by the railway experience. This, after a vigorous and interesting debate in Parliament, Parliament responding to the provident spirit of the Prime Minister.

Young New Zealand came in for beneficial treatment this year, with the passing of the Acts for the protection of infant life, and the better care of children mentally defective.

The settlement of land was further encouraged by the addition to the Land Act of the renewable lease, of 33 and 66 years, with a better security of tenure, and advantage was taken of the Amending Act to provide a national endowment for the old age pensions and for education—a measure the benefit of which will be appreciated more fully as the waste lands of the Crown become more valuable through the increase in the population of the Dominion.

In 1908 the Manawatu railway was acquired, as hereinbefore narrated, with increased general respect for the Prime Minister. The superannuation system was extended to the local bodies of the Dominion, at their discretion, much to the satisfaction of many employees of those institutions. The old age pension system was enlarged by increasing the home allowance from £300 to £650, thereby benefiting numbers of people.

A Workers' Compensation Act was passed. It was regarded by the workers of the Dominion as the most advanced in the world, and that high opinion has undergone no change since.

In 1909 the finance of land settlement had attention.

The death duties were increased in the case of large estates, with special allowance for widows, and were abolished in the case of small estates.

Hospitals and charitable institutions were given the privilege of electing their governing board and benefited by better subjection to control. Experience has amply justified the reform, and points the way to further improvement.

In this year was inaugurated the great hydro-electric system of the Dominion, with adequate financial provision and managing power divided suitably between the Government and local bodies. There was a good deal of opposition at the outset, based on objections of scientific unsuitability, imperfections of preparation, and rashness, with which the epithet "wild cat" was sometimes found attached. But the Parliamentary and other discussions showed that the scheme was scientifically correct, and arranged with great care and prudence, that its beneficial character was absolute, that the country would reap great results, and that public opinion was heavy in support. In these debates the Prime Minister, Sir Joseph Ward, and the Public Works Minister, the Hon. Roderic McKenzie, showed ability, knowledge and driving power greatly to their credit. Nineteen years of working have proved their predictions up to the hilt, and it is now recognised that no better investment of public money for development purposes has ever been made in this Dominion, better in both objective and in practical application. It is anothr great public service added to the long roll of Sir Joseph Ward's services to the Dominion.

In this year, direct election of members was given to the Harbour Boards of the Dominion, and this innovation has received the endorsement usually given by experience to the Ward forward policies.

During this period, in the year 1910, the Ward

Cabinet, with the cordial aid and co-operation of the Opposition, placed the Act of Compulsory Military Service on the Statute Book. It was agreed all round that the volunteer system, which had done excellent service in its day, was not sufficient for the defence of the country. Both sides felt that the duty of every citizen to take part fitly in the defence of the country should be enforced by law. The debates on the Prime Minister's Bill (he was also Minister of Defence at the time) were interesting and thorough, Sir James Allen distinguishing himself by the assiduity and ability of his support from the Opposition Benches. After the passing of the Bill the business of making an army was organised. Lord Kitchener came, on the Government invitation, and made a guiding report. Colonel Godley was appointed to the command, and the business of training and equipment was established on the best basis here devisable. Six years later the organisation proved itself of considerable value in the Great War. To its efficiency was due the unfailing regularity with which the Minister of Defence of that time, Sir James Allen, kept up the numbers and military value of the New Zealand contingents during four memorable years of war. Our troops did great work in that time, attaining a military reputation second to none made in the tremendous campaign. That they owed the efficiency of their military powers to the organisations established by the Ward Cabinet is incontestable.

The year 1911 saw the end of this remarkable Prime Ministerial period. The Ward Government suffered, not a landslide, such as overwhelmed the Atkinson Government in 1900, nor of the weight that swept the Coates Government out of office in 1928, but a setback reducing its working power to a majority of one.

CHAPTER XXX.

Election of 1911—Defeat—W. F. Massey, Prime Minister—The War and Coalition—Ward, Finance Minister, Raises 55 Millions in Local Money Market.

Sir Joseph, returning from the Imperial Conference of 1911 at the close of the session of that year, faced the General Election later in the year with prospects generally regarded as good. The result of that election was a surprise to everybody. After the Liberal career of election victories, of 19 years —13 under the Seddon and six under the Ward Ministries—defeat was thought impossible. After the event many reasons were assigned by various critics, wise and otherwise, and discussed everywhere in fashions sweet and bitter. The most popular of these causes was embodied in a not uncommon declaration that, after a long tenure of office by any Ministry, the public longs for a change and declares for it when it gets the opportunity at the hustings —whether this was the sole cause of the reduction in the Liberal numbers in the House of Representatives, or only one of many contributing causes, the setback was heavy, and must have been painfully disappointing.

Sir Joseph followed constitutional practice, by calling an early session. There he verified his majority of one by actual division. Not caring to go on with an unworkable majority, he resigned, and on March 12, 1912, the Mackenzie Ministry took from his Cabinet. It was hard, after Sir Joseph's fine work here and in London. But, to use the expression of the Maori chronicler of Hake's war, "Such is the appearance of war," but substitute "politics."

In the following July the Mackenzie Government was defeated, and Mr. Massey came to power

on July 12, 1912. As Leader of the Opposition he had displayed endurance of misfortune and heroic courage against odds worthy of the best historic examples. Strip the legend of Bruce and the spider of the dramatic and tragic in its events, and the ability, resource, courage and cheerful endurance in the New Zealand story will stand level with the Scottish legend. In his work he displayed a firm possession of the qualities of Premiership and leadership of Parliament. Sir Joseph Ward led the Opposition with keen vigilance, and a power strong and moderate, doing nothing factious, maintaining the dignity of Parliamentary tradition, preparing, of course, for a revival of Liberalism which, though reduced in strength at the polls, held its principles high, and was loyal to its tradition of public service. The business of Parliament went on with a monotony broken by but one new thing—the passing of the Act placing the Civil Service under bureaucratic instead of Parliamentary Ministerial control. The measure was resisted as undemocratic, but numbers prevailed, and the passing of the measure entitled the Reform Party to claim that it had faithfully performed its chief election promise.

Advances to settlers and other legislation of the Liberal regime which had been opposed, and in some instances very strongly denounced, remained unmolested on the Statute Book, success having proved their value, and the Second Ballot was amended out of the Statute Book.

Liberals were beginning to think of the possibility of a turn of the tide in their favour, the tide which was flowing so quietly under the gentle breeze of Reform, when a great blast of war swept the pith and marrow out of the political system, in the early days of August, 1914. The local interest in the General Election of that year faded away. The Massey Government, whose handling of the war was rightly found good by the electorates, was sent

back to power, and never questioned again until 1919, a whole year after the Armistice. After the election of 1914 there was a general coming-together of parties, the party tomahawk was honourably buried, and all sections of Parliament faced the enemy on a united front. There were occasional roughings of the edge of this patriotic duty, such as protests against compulsory military service; while some coal-miners tried a short strike, before settling down to good war work for the King's Navy and the merchant ships of the King's commerce, and some pastoralists actually had the audacity to grumble against the tremendous boon of Government purchase of their staple produce, at increased prices! But generally, the edge of union continued bright and keen, the nation of New Zealand bearing the sorrows, joys and exactions of the war with good heart and strong, silent courage, which will be a noble example in the country within our four seas for all time. Such was the strong tide of the patriotism which carried this domain through the war in loyal alliance with the mother of all the units of the British Empire.

Under such circumstances the political coalition of parties for the war was inevitable. On August 12, 1915, that Coalition was made. Sir Joseph Ward took the portfolios of Finance and Postmaster-General, with Mr. Massey as Prime Minister, with the portfolios of Lands (till August 25), Labour and Industries. His colleagues of the Reform Cabinet going into the Coalition Cabinet with him were Sir James Allen (Defence), Mr. Herdman (Justice), Sir Wm. Herries (Railways and Native Affairs), Sir W. Fraser (Public Works), Sir Francis Dillon Bell (Attorney-General and Immigration), Mr. Guthrie (Lands, from August 25, and Minister without portfolio), Mr. Maui Pomare (Cook Islands and Minister without portfolio).

The members of the Opposition joining Sir Joseph Ward in the Coalition Cabinet were Mr. McNab (Justice, Marine, Stamps), Mr. G. W. Russell (Internal Affairs and Health), Mr. A. Myers (Customs, Munitions, and Supplies), Mr. W. D. S. MacDonald (Agriculture and Mines), Mr. T. Wilford (Marine, Justice after February 20, 1917, Stamps after November 14, 1917).

For joining the Coalition, some stalwarts of the Liberal Party declared that Sir Joseph had ruined his prospects as a possible Liberal Prime Minister and, indeed, his whole career as a Liberal. They were in perfect good faith and in much sorrow. That they were wrong we only have to point to the Parliamentary Buildings where Sir Joseph sits to-day—as Prime Minister. And it is right to say that until these stalwarts made their adverse prediction, the depth to which the party canker had bitten into some portion of the Liberal mind had not been measured. They ignored "salus populi suprema lex . . . " Could there be worse mischief in honest minds?

This Coalition Ministry held office through the war and till August 21, 1919, four years, when it was broken up by the withdrawal of Sir Joseph and his colleagues of the Liberal Party. As a whole, the Coalition had done very excellent work throughout, keeping the Dominion well up to its duties and promises through many serious difficulties, the greatest faced up to that time by any Dominion Ministry.

As has been said on a previous page, Mr. Massey made an excellent war Prime Minister, and as the conditions were novel and without precedent, the fact was most creditable to his ability, his sense of dignity, and his leadership.

The two members of his Cabinet who also performed outstanding services in Wellington were Sir James Allen, who directed the War Department, and

Sir Joseph Ward, who was responsible for the public finance—each carrying an enormous and unprecedented responsibility. The other members did their work with ability and success, and the co-operation of all under the war Prime Minister was what was to be expected from any Government ruling the Dominion under such circumstances. Nevertheless, no man can say that the Cabinet was a really happy family. Their co-operation is, therefore, very creditable to their sense of patriotic, Imperial duty. Most men who know their war work can say without hesitation, that if ever the Dominion got into similar troubles, "may it have as good a Government to do its war work."

Sir James Allen's work as War Minister (for that is what it can well be called) belongs to another story. Sir Joseph's, as War Financier, is for the pages of his biography.

To begin with, there was increased current expenditure to provide for, in addition to the capital expenditure for all things of the war. Prices of all things were soaring. War pensions presented certainty of big figures, growing with the years of the war. And there was looming an unpleasant certainty that millions of the capital war expenditure, the expenditure for unremunerative blood and smoke, would have to be provided in New Zealand itself, the huge operations of the London financial centre bidding fair to shut out New Zealand loan issues, even in face of the splendid credit of the Dominion. A vast weight was about to descend on our shoulders, the carrying of which seemed impossible in the eyes of the ordinary citizen. On the other side of the account there was the great purchase of most of our output by the British Government, a thing unprecedented in war or other emergency, but beneficial beyond ordinary computation—a great advantage of sea power. With that, however,

loomed ever larger the obligation of making decent payment toward the upkeep of this so protective sea power. Sir Joseph had, in the conference of 1911, sketched out a scheme for meeting this liability. It had been turned down, but here was a great war finding urgent reason for a return to the subject. It was not an immediate prospect of the war, but it was a certainty sure to come with the aftermath, and distinctly disquieting to the Dominion financier cleaning up the financial debris of the war.

It would be useless to go into the detail of the ways and means adopted in this formidable, unprecedented situation by the Finance Minister. In his methods there was some debatable matter, which is now a thing of the past, as much beyond useful discussion as the possibilities of Europe had Waterloo been a British disaster. But one thing is not debateable—the obligation to make ends meet. That is the answer Lloyd George made to the critics of his expenditure details when, as Minister of Munitions, he mobilised the industries of Britain. He had to get the munitions; he got them, and he saved his country. So Sir Joseph, as Finance Minister, got his money, and saved the honour of New Zealand as a dependable unit of the Empire. Fortune favoured him, for the revenues mounted above all estimates, and these were very liberal. But he guided the expenditure with solid, careful prudence, and every year he produced a surplus running into millions. These millions accumulating, he invested them in gilt-edged interest-bearing securities in London, so strengthening his finance to the level of all possible requirement. When he laid down the sceptre of Finance, half derisively in some quarters termed the "wizard's wand," he left in that retreat fifteen millions, and the arrangements of the year in the middle of which he left the Treasury were

preparing handsome addition for that large accumulation. That was a tremendous success of native initiative unguided by precedent of any kind, inspired by complex difficulties to fruitful exertion. Many big things were done by New Zealanders in the war, and this financial feat was one of them, for it was performed without default of a single one of the heavy obligations incumbent.

CHAPTER XXXI.

Resignation—The Dreadnought Episode.

Not the least, but by far the greatest, of the feats, was the obligation of appeal to the local money market. The first necessity was to know that market, and Sir Joseph knew it well. The war loans raised by New Zealand amounted in the war period to eighty millions sterling, a tremendous thing for a small country, and after the war nearly two millions more had to be raised on account of the war. This latter sum did not, of course, enter into the sphere of Sir Joseph's duty. But of the eighty millions his duty covered a considerable part, and of that he raised 55 millions in the local market. His local knowledge can be said to have borne good fruit. He had to back his opinion, and he had the courage to do so. He has been subjected to some criticism for the inducement he offered to investors of freedom from income tax. It may be said that he made a compulsory levy—practically a conscription of wealth. But he said that without the inducement the money would not have been forthcoming. The attempt to do without the inducement would certainly have been risky. But it was not a time for running risks. It was an occasion for certainties, and he secured the money, and saved the honour of New Zealand. Why persist in criticising? No talking can lap up spilt milk. In a great difficulty Sir Joseph had to do what he did, and he did it with a success amazing to the average citizen. That citizen being reasonable, as well as patriotic, pays tribute to-day to the sagacity and courage of the Finance Minister who, in a great emergency, got the enormous sum of 55 millions from the local money markets.

Sir Joseph has been blamed for leaving the Coalition in which he had done so much, and in which he might have done more for New Zealand. But coalitions never get anywhere except in great emergencies, and here the great emergency was over. Moreover, in this case there was a difference of opinion in the Cabinet about the settlement of the just claims of the returned soldiers. Sir Joseph yielded to no man in his desire to give practical gratitude to the men who had served their country with magnificent courage and the extreme of self-denial. But he did not approve of the plan of settlement before Cabinet. While condemning that plan, he offered another which he had reason to think was better. He did not prevail; he would not be responsible in any way for the plan he distrusted. He resigned. Again he had the courage of his opinion. It would be to no good purpose to discuss the merits of these plans now, but Sir Joseph Ward cannot be blamed for his courage of withdrawal. Moreover, in view of the fact that the plan of settlement carried out was certainly not an ideal success—to say the least of it—who can blame him for the course he took? He thought he could achieve success without diverting the great sum he had accumulated from his purpose of reinforcing the finances for the great difficulties of the war aftermath. His opponents in the matter diverted that accumulation to the purpose of a settlement they aimed at, which proved only partially successful. We can leave it at that, without in any way impugning the financial judgment of a financier of approved ability.

And so we take leave of the Coalition, which did really well in the Great War.

As a member of the War Government Sir Joseph Ward did excellent work in London, at an Imperial Conference, in the British War Cabinet, and at the Peace Conference in Paris. The Prime

Minister of New Zealand, the Rt. Hon. W. F. Massey, had a right, as such, to be the sole representative of his country in London. But it was thought proper and just that the Government, being a union of the two principal parties in the State, for the war, should have two representatives in London, one from each side of the Cabinet, during the war. with recognition of the Prime Minister's right of precedence. Following on this perfectly fair adjustment of the rights of the two parties united over the grave of the buried party-tomahawk, Sir Joseph went to London during the war with Mr. Massey and took part in the Empire's war work. It was the first time that this privilege was accorded the self-governing units of the British Empire. The fact now stands as a conspicuous land-mark, showing when and how the Dominions came to what has been called the "New Status."

Before referring to this event of the "New Status," it is necessary to throw some light on the new status of Sir Joseph Ward. Not long before he had obtained it, in accepting the baronetcy conferred on him by his Majesty the King. In one of his moments of strong initiative Sir Joseph Ward had, on behalf of the country over which he ruled as Prime Minister, presented a Dreadnought—later known as the first-class battle-cruiser "New Zealand"—to the King's Navy, without getting the consent of Parliament. This in the year 1909. Constitutionally the action was precipitate, though in untechnical reason the departure from the strict course laid down by the Constitution was right enough. In the year of the gift to the Navy, numbers of leading men of Great Britain—statesmen, politicians, publicists—were airing their belief in the impossibility and improbability of a war between Germany and England. The great magazines—the nineteenth and twentieth-century equivalents of the Pamphleteers and Quidnuncs of Stuart and Georgian days—

teemed with that belief, expressed in all the possible literary forms, from solemn, ponderous, reasonable declaration of faith, to scornful jibing of the non-believers. These prophetic people earned large sums with their too-ready pens.

But there were ever against these, some few who regarded war as about to break out at any moment, with or without ultimatum from the German Chancellory. Sir Joseph Ward was of the number of these, and there were many signs on the international horizon justifying their apprehensions. As a matter of fact, there were several occasions —as has been revealed in later times—when the outbreak of war was only averted by the smallest possible margin.

Understanding this situation, Sir Joseph concluded that if help was to be given to the Empire and to England, it should be of the promptest possible. Deciding, therefore, not to wait for the session of Parliament—at that moment some length of time away—he felt his way among the representatives and with his Cabinet's consent offered the Dreadnought to the Navy, and got warmly thanked by the King and the public opinion of the whole Empire. In due time this course was put before Parliament and validated, and an Act was passed providing the necessary finance.

H.M.S. New Zealand was quickly built and commissioned. Promptly she came out to the Dominion, and entered several of our ports, in each of which she was visited by all and sundry. The population thronged on her decks and was guided in swarms over part of the ship, and young New Zealand coming to the seaside from the schools of all parts was specially welcomed on board and swarmed under kindly expert guidance over the ship in ecstacies of wonder and delight. New Zealand, in fact, ratified the great gift with enthusiasm. During the war the "New Zealand" did very good service in

various engagements, chief of which was the Battle of Jutland, in which some of her consort battle-cruisers were destroyed. After the war she took Admiral Jellicoe round the Dominions on a special mission, and, coming in due course into our seas again, was again received with enthusiasm, this time with addition of the pride and admiration inspired by the fine work she had done in the war. Later, in consequence of the famous Treaty of Washington—in the making of which one of our judges, the late Mr. Justice Salmond, took a leading part, which obtained for him wide reputation as a jurist of high ability—the historic gift-ship ended her career on the scrap heap. Her services had justified the presenting of her to the Navy, and if her beginning was somewhat irregular—but justifiably so—her end was strictly, if painfully, correct, and it came before the scheme for payment of her cost had worked clear.

At the opening of this fine story, objection was strongly made, in the New Zealand Parliament, by the Opposition. The objection was not to the giving of the ship, but to the manner of the giving. The Opposition declared the manner to have been a breach of constitutional principle and dangerous as a precedent, and was, therefore, severe in condemnation. Such breaches have often occurred in the Dominion's history, and have caused no very serious animadversion. The vigour of the denunciation in that case was probably due to the greater magnitude of the breach. The point of difference at the time of the objection was the necessity for immediate action. Sir Joseph urged that the need was urgent; the Opposition thought otherwise. Protests against breaches of principle cannot be blamed. It is the duty of a vigilant Opposition to make them. Necessity is the only justification—an article of "Suprema Lex." The difference upon this point of

necessity was settled in Sir Joseph Ward's favour by the Great War, in which the much-discussed battle-cruiser "New Zealand" proved a welcome addition to the fighting forces of the Empire. Practically that is now, very rightly, the general view, shutting off all possibility of a bad precedent.

About the gift itself there was—as has been said on another page—no doubt. It was acclaimed on all sides. At the top of that acclamation came the King's bestowal of a baronetcy on Sir Joseph Ward. It was his Majesty's own suggestion. There was no prompting such as usually precedes the bestowal of titular honours by the King's Majesty. This is very important to remember.

Sir Joseph has been blamed for acceptance of the honour, in degree high above the honours usually bestowed. The blame has gone further, for in cases where titular honours have been refused by men to whom they have been offered—of which cases there are not a few, for example, the Right Hon. R. J. Seddon and the Right Hon. W. F. Massey—unfavourable comparisons have been made. The thing to remember suggests itself here. The honour was offered at the King's own suggestion. To have refused would have been to disoblige the King. Sir Joseph, feeling the difficulty of doing that, accepted the offered extra decoration. It came to him in London in 1911, the year of the Imperial Conference. The only thing to be said is: "May he live long to enjoy that honour, and may all successive inheritors of the same be able and willing to do as good public work as its first holder."

After the conference of 1909—the Defence Conference—a gathering of members of Parliament at Westminster met to thank the giver of the Dreadnought. Sir Joseph's reply impressed them very much. Mr. Asquith, Mr. Balfour and Mr. Chamberlain all agreed that no better could have been delivered on Imperial affairs.

CHAPTER XXXII.

Some Details of Premiership.

Mr. Winston Churchill, in his fourth book of memoirs—published in "The Times"—places the great gift in its historic prerogative. In four centuries, he says, Britain has headed combinations of European peoples against four powerful assaults, with strikingly victorious results. These enemies he names—Philip II. of Spain, Louis XIV. of France, the first Emperor Napoleon, the Kaiser William II. of Germany. At the above gathering at Westminster, Sir Joseph's present to the Navy of the Dreadnought was declared to have been inspired by the spirit of those four consistently great centuries.

When prominent men are publicly honoured it is usual for them to be publicly congratulated in Parliament at the suggestion of the Leader of the Government, and the speeches of the leaders are always cordial, and from them all trace of party feeling is absent. Such speeches are to the credit of the speakers, and they are, besides, an indication of the healthiness of our political life. In this kind of work Sir Joseph has always shown a fine spirit. As an example, his speech congratulating Sir William Russell on his knighthood is well worth quoting. "The very pleasurable duty devolves on me of extending to the honourable member for Hawke's Bay, Sir William Russell, my heartiest congratulations and felicitations. I am sure that I am voicing on behalf of every member of the House, as well as people of all classes of the Colony, the respect and esteem we entertain for the honourable gentleman, and to say how much we appreciate the honour which his Majesty the King has conferred upon him.

I can say, on behalf of the members of this side of the House, and equally so on behalf of honourable members opposite, who, I am sure, will not think it presumptious on my part to express it, that since Sir William Russell has been associated with honourable members of this House, he has ever, by his courtesy and by his gentlemanly conduct, and by his consideration to members at all times, won their respect, goodwill and esteem. I sincerely hope that both Sir William and Lady Russell, his esteemed wife, may live long to enjoy the honour so worthily won by Sir William Russell in recognition of distinguished services to his country."

To complete and pleasantly round off a charming episode characteristic of our Parliamentary life, Sir William's reply is now appended:—

"Sir,—I perceive that no man in my position could have other than a feeling of diffidence in rising to say a few words of thanks for the congratulations offered me for the honours bestowed upon him. I appreciate most sincerely the honour which has been conferred upon me by his Majesty the King, and feel that whatever services I have been able to render to my country and my King during the period of a quarter of a century, have met recognition by the honour which has been conferred upon me by my Sovereign. But, deeply as I feel the honour conferred upon me, more genuinely I am flattered by the kind expression of opinion extended to me in the telegrams, letters and letters I have received from most of the members of this honourable House, and also do I feel that if a man may flatter himself on any occasion, I have a right to do it to-day, inasmuch as I believe that the honour which has been conferred upon me has met with the general approbation of the people, amongst whom I have lived for a period of forty years."

The Bill introduced in this session of 1902 for the regulation of motor vehicles make me smile.

That Bill came down from the Legislative Council fixing the maximum limit of speed at 10 miles an hour. Many thought this excessive. Others denied that the motor-car had come to stay. One member very confidently declared that the motor would never displace the horse, and yet others refused to believe that the motor-car would ever be a trouble to the traffic. There was long, and rather troubled, debate before the second reading, and in committee suggestions were heard that in cities a speed of five miles an hour ought to be the limit. There was much discussion about many things before the control of the speed limit was left to the local bodies and, crowning effort, due to Sir Joseph Ward's motion, the speed limit was altered from 10 miles to such as is reasonable. We have gone far and fast since that day 26 years ago, but it is amusing to look back upon the start of the controlling legislation.

When King Edward was crowned the Acting-Premier asked the House of Representatives to pass a manly, simple, dignified resolution:—

"That this House desires to express its respectful congratulations to his Majesty the King upon his Coronation, and to express that the reign of his Majesty may be a long and happy one. I think it unnecessary for me to add anything to this motion, which, I am sure, voices unanimously the desire of honourable members."

For the manliness and terseness of this he received many compliments, both in the House and out of it.

In this connection he had to endure rather a wild attack with regard to the contingent sent from New Zealand to the Coronation. He was accused, with the Government, of having arranged the whole business of the contingent and its pay and transport, without any reference to Parliament. That was true. But the fact that every State of the Empire

was represented at the Coronation by a contingent of troops ought to have at least induced critics of the Government to pause for an explanation. The explanation made by the Acting-Premier in the House against the charge of unconstitutional conduct, was of the simplest. Yet it was quite true. The Government had not asked Parliament to authorise a contingent for the Coronation, and, moreover, it had not intended to send one. But after Parliament had risen, the King himself had sent the Government a request for a contingent to appear with contingents from all parts of the Empire. It was a command. The Government had to obey, and the contingent was sent. Of course, in face of the Royal command, the charge of unconstitutional conduct faded away.

There was, however, a dispute between the Auditor-General and the Treasury. The Auditor-General thought the payments of the contingent ought to have been charged to "unauthorised," whereas the Treasury had paid the expenses out of "General Imprest." The consequent dispute had come before the Public Accounts Committee, which, after listening to evidence which bored it stiff, added to its report a recommendation that some definition for such cases should be made and given the force of law, so as to prevent a recurrence of such disputes between these high contending parties in the future.

The committee evidently thought the public time too valuable to be occupied with interminable disputes between Tweedledum and Tweedledee. As to the recommendation, nobody anticipated any difficulty in giving it effect. Neither was there any.

But the opportunity for insinuative attack was irresistible, and a long discussion about "unauthorised" and "General Imprest," about the amounts kept in London on both accounts, about all the gyrations and intricacies of Red Tape was maintained

for quite a time. If that was a fishing expedition, then the Opposition laboured almost all night and took nothing. The episode, of course, found and left the House unruffled. It treated it as just an instance of ordinary party tactics.

When Mr. J. Chamberlain was forced by failing health to retire from the Secretaryship of the Colonies, Mr. Seddon moved the House to an expression of regret. The terms of his resolution showed very clearly the grasp he had attained of Imperial problems. He moved for the recognition of a statesman "to whom we owe the inauguration of a great Colonial policy, which he carried out with conspicuous tact and ability, thus securing cordial relationship and mutual understanding between the Colonies and the Mother Country to the great advantage of the Empire. Realising, as we do, that we are under the flag of Britain, and that it is upon its power and prestige that we must rely in time of trouble, I say that it is the least we can do to take suitable notice of the retirement from office of the man who has done so much to bring about the cohesion of the Empire, and who stood out so prominently in one of the most difficult ordeals the Empire has had to face."

As he went sailing along in this vein, question was raised by interjection about the addition to the burden of Imperial responsibility. Sir Joseph promptly interjected: "Our attachment to the Empire is a sufficient answer to that."

"It entails responsibility," he added, "and no true colonist should take exception to it, because the power of England, ever since the Colonies were established, and her readiness to defend and protect them, have been two of the greatest assets they possess. Can it be expected that we are to have all these benefits without having some responsibility?

"I firmly believe that the wars of the future will be on the questions of commerce, not in territorial annexation, and it is round the commercial question that Britain and her Colonies will, in the years to come, have the greatest problem."

(The truth of this is reflected in the difficulties about navies to-day.)

"We can, without reference to our political leanings, recognise the marked ability, strong patriotism and great power of initiative displayed by the right honourable gentleman since he has filled the office of Colonial Secretary."

This matter, side-tracked in 1902 to a committee, came up again in the following session—1903—when the two Houses of Parliament disagreed. The question between them was whether the clause of the State Fire Insurance Bill amended by the council was, or was not, a money clause of the kind over which the council had no power of amendment. A deadlock seemed imminent, in which case the Bill would have been lost. Indeed, it was freely said during the debates in both Houses that the dispute had been brought about for that very purpose. After protracted debating, in which the rights of each Chamber were hotly asserted, a compromise was effected.

The debate was further remarkable, for a heated discussion of the constitutional value of the Legislative Council. Attacking the Council, Mr. "Tommy Taylor" made one of the most incisive vehement speeches of his life, and Mr. Seddon gave him the greatest dressing down he had ever received, knocking over all his arguments, overwhelming him with facts, imputing to him the motive of prohibitionist revenge, the Council having thrown out a "dry" Bill.

These two speeches entertained the House greatly. Inter alia, Mr. Taylor had attacked Mr.

Seddon's Council appointments, declaring with hissing scorn that not one of them could ever have got elected to Parliament. Mr. Seddon snowed him under with 26 names of councillors who had all served many years in the House of Representatives. It was notable that when Mr. Taylor denied the number, in face of the Premier's detailed list, Mr. Massey, who was pricking a card, decisively corroborated the Premier. After this debate, State Fire Insurance was established in the form detailed on a former page.

CHAPTER XXXIII.

More Details.

In the 1903 session Sir Joseph had, as Acting-Premier, to deal with an Electoral Bill, involving one of the most contentious subjects that periodically come before the Representative House. On this occasion the situation was complicated by the urgent presence of that hardy annual of those days, Mr. McNab's Absolute Majority Bill. The Cabinet's Electoral Bill found itself confronted by the Absolute Majority Bill. Sir Joseph's first thought was of how to avoid two full-day debates on what was practically one subject. In this he succeeded by the happy proposal to Mr. McNab to wait till the Government's Bill got into committee, and move the main clauses of his Absolute Majority Bill as amendments to the other measure. It was contended when this proposal was made, that the rules did not allow the amendment of one Bill by another. Sir Joseph, never at a loss in tactical manœuvres, urged that the Government Bill, being itself an amending Bill, there could be no doubt that it could be amended, whether by proposing to graft any provisions, whether parts of a Bill before the House or otherwise. That got over the minor difficulty. The major trouble was that the Ministerial Bill contained a clause setting up a second ballot and suitable machinery.

The mention of second ballot found in Mr. McNab a lion in the path, in deadly hostility. And that there were other lions, a whole battalion of them, ready to back up the inevitable McNab spring at second ballot, Sir Joseph knew full well, as he showed in his speech in moving his Bill into committee. It had been read a second time pro forma,

as is the general practice with first readings. This, according to the manœuvres for getting discussions, narrowed down to a single battle.

Sir Joseph relied on the general hostility to the existing electoral system for its habit of producing minority representation at the general polls. His Bill offered, besides the highly contentious "second ballot," a general consolidation of the electoral laws. The number of these being too many for the lay grasp, the advantage of concentrating them into a single measure was obvious. So was the opportunity for all sorts of reformers, and every kind of crank. Hence the necessity, irrespective of second ballot, for concentrating and abbreviating discussion. The course adopted quite evidently avoided too much expenditure of public money.

Second ballot, as it turned out, gave no trouble. When Mr. McNab moved the excision of the clauses which proposed to set up that much-discussed machinery, the fellow lions of the assailant bared so many teeth that no one came to the defence, and the second ballot was condemned without a word. That, however, did not prove a fatal blow. Second ballot was set up in a subsequent session and, after some experience of its working, was repealed under another Government.

The rest of the Bill got through after a long, but not stormy, voyage through the House, was accepted, of course, by the Council, and before very long underwent several species of overhaul before getting into its present shape. But the purists are not satisfied, and there is clamour for some way to secure the democratic perfection of majority rule. The interest in the electoral question for the period of its history comprised in the year 1902 is chiefly due to the masterly, tactful manner in which Sir Joseph Ward, as Acting-Premier, piloted the Bill through the House, to the consolidation of the electoral laws.

The very important war work Sir Joseph did in London came, of course, to a climax during the years of his service with the Coalition Massey Government.

The real work of that climactic episode was done behind closed doors—at an Imperial Conference, and in the Imperial War Council. To this last, Dominion representatives were admitted, and though there is not much available in the way of official record, the work has become best known through its results. These are summed in the new status of the Dominions—as it is called—which the Dominions enjoy to-day, in which they are practically independent units of the Imperial organisation.

What is the origin of this new status? A couple of quotations from Winston Churchill's "Aftermath" will present a feasible answer:—

(1) "The conclusion of the Great War raised England to the highest position she has yet attained. For the fourth time in four successive centuries she had headed and sustained the resistance of Europe to a military tyranny, and for the fourth time the war had ended, leaving the group of small States and of the Low Countries, for whose protection England had declared war, in full independence. Spain, the French monarchy, the French Empire, and the German Empire, had all overrun and sought to possess these regions. During 400 years England had withstood them all by war and policy. And all have been defeated and driven out. To that list of mighty Sovereigns and supreme military lords which already include Philip II., Louis XIV. and Napoleon, there could now be added the name of William II., of Germany. These four great series of events, directed unswervingly to the same end through so many

generations, and all crowned with success, constitute a record of persistency and achievement without parallel in the history of ancient or modern times.

(2) "The British Empire had stood the shock and strain during the long and frightful world convulsion. The Parliamentary institutions by which the life of the Mother Country and the self-governing Dominions found expression, had proved themselves as serviceable for waging war, as for maintaining freedom and progress in times of peace. The invisible ties of sentiment, interest and tradition, which across all the waters of the world united the Empire, had proved more efficient than the most binding formal guarantee: and armies of half a million Canadians, Australians and New Zealanders had been drawn by these indefinable and often imperceptible attractions, across greater distances than any armies had travelled before, to die and conquer for a cause and quarrel which only remotely affected their immediate material safety."

This answer is in two parts: One narrating the success of a consistent great policy of justice and freedom; the other demonstrating the strength of the tie which brought the Dominions into line of support in the same fine spirit. The logical natural consequences to these is the new status.

In that spirit the Prime Minister, Mr. Massey, had acted throughout the war, and the Imperial Conference and Council. So had Sir Joseph Ward throughout all the events of his career, as set down in these pages. It was fitting that the end of the war saw them prominent among the fighting councils and among the makers of peace. While in Europe they visited the camps and were acclaimed by the soldiers of New Zealand, and the troops of

the Empire. They visited the front, and finally saw the signing of peace at Versailles. The Prime Minister had the honour of putting his signature to the treaty, of course, quite rightly, Sir Joseph sharing with him then, as throughout the visit to Europe, the honour of representing the Dominion they had both served so well. Both returned to their country with greatly enhanced reputation in themselves and the knowledge of the grand world appreciation of the Dominions that had sent them and its various contingents to Europe.

Two dates bound the self-governing (Parliamentary) history of this Dominion—1853-1919—the first Parliament met in 1853. In 1919 two of its Ministers joined the statesmen of Europe and the United States of America to make the peace of the world. Sixty-six years! Two generations! A single stride in national and constitutional development truly wonderful. In that historic feat Sir Joseph Ward can fairly be said to have played a strong part. That part is recorded in the Imperial Conferences of 1907, 1909, 1911, 1919, and the Imperial Council of 1918-19, at Versailles during the peace making, and at the King's Coronation in 1911. It is a great mass of Imperial work, done in peace and war, for the Empire. It balances the vast amount of work done in Parliament and Cabinet and Postal World Conference. We can all take off our hats to the life story of the boy who began life in the lowest department of the telegraphic service and worked his way without help to greatness.

After his first Imperial Conference, Sir Joseph brought back to the Colony a new name, Dominion. After his last, he returned bringing word with the Prime Minister of the Dominion's new status.

He resigned almost at once, as has been explained on a former page, to enter on an eclipse

of nine years. One of these was embittered by the treason of Awarua, his base in Parliament for over thirty years, while another (the Bay of Plenty by-election) discouraged his trustful optimism with a by-election defeat. Without a formality of leadership these nine years were years of calm dignity, and steady watchfulness. They were also a time of anxiety for his many friends, who feared disaster from ill-health, as, indeed, seemed not unlikely. The later years were to him a time of bereavement. It was in them that he lost his life's faithful companion, the gracious woman who had, during his eventful career, doubled his joys and halved his sorrows, presided over their joint hospitalities, and charmed a vast circle of friends, brightened his home and brought up his children with tender care and kindly control. He received innumerable condolences from many countries that knew them both.

When the, alas, not uneventful period closed, Sir Joseph saw that the time for action had once again arrived, and feeling himself able to obey the call of his friends, he accepted the party leadership offered him, and leaped into the arena. How, acting with characteristic vigour and unfailing initiative, he roused universal interest, how he won at the General Election of 1928 a position in Parliament stronger in every way than can be indicated by pricking party cards; how he once more, as Prime Minister, formed a Government, and how he has worked with energy, enlightenment and industry in preparation to meet Parliament in the usual time, with a reassuring policy, of which he gave rather more than an inkling at the start of his sweeping return—all this is too recent for the pages of this biography. It belongs to the future, for which it is a preparation. All that can be said here must take the expression of a hope that the success may come to Sir Joseph which his distinguished services

and high ideals deserve. The betterment of his health gives completion to the satisfaction of his many personal friends and more numerous well-wishers.

CHAPTER XXXIV.

Moral of a Fine Career.

Upon the record of his remarkable career the friends of Sir Joseph Ward look back with kindly, satisfied appreciation. They see the brilliant light of successes rising over one another; they mark the dark touches of the share of troubles that no man escapes in this world. They note the steady moderation of prosperous days, as also the courage of the dark moments. They appreciate, as they observe the cheerful tact of his Parliamentary leadership, the generosity that has become a household word, the resourcefulness ready at every crisis, the unfailing intiative. The early popularity from the earliest days in his own province which, continuing undimmed through the years, gave him warmest public reception on every return from abroad, the continued faith in the man they have known from first to last—all this embellishes the record of his days.

The moral of this career must be touched, before we reach the end. The whole career, poltical, commercial and social, is of special interest to the student of the political system under which we live and hope.

Freedom of all kinds, including the freedom of opportunity to all, is the aim of the best constitution. This career is a test of the constitution of this Dominion. Opinions differ, and must differ always, about many things in the working of this constitution of ours—all the things of development and progress. And there must always be need for adjustment. But in the basic matter of freedom and opportunity there can be but one opinion—any one of us who has experience of the course of colonial development, can, without a moment's hesitation,

name dozens of men risen from nothing to greatness, in cases political, in cases commercial, in cases industrial, in cases professional. They comprise all sorts and conditions of men—land owners, lawyers, merchants, captains of industry, builders and bankers, all risen from the lowest rungs, all successful climbers of the great ladder of result. Strikingly prominent are two Chief Justices of the Dominion, risen by their own unaided exertions to eminence, from positions of the lowest financial level. With all these stands the career of Sir Joseph Ward. It has a special prominence. Like the others of the type that succeeds, he found the way clear for those who, facing the hard, selfish world, buckled to. Like his fellows of the right type, he rose steadily, superior to misfortune.

His case is spectacular. He began as a messenger boy, wearing the simple uniform familiar in our streets, and he attained to the brilliant court dress which statesmen who have made their mark in the great world are privileged to wear. His first political efforts were in the smallest of municipal councils; his latest were among princes, deliberating on the destinies of nations and the welfare of peoples, and taking his place easily with these at the tables of council, he held his own. The men he met at these tables had, for the most part, been trained in great schools and famous universities. His training was the public elementary school, and the world of affairs in which, by his own exertions—observation, study, mastery of facts—he acquired the knowledge and readiness that enabled him to debate great issues with these men favoured by high education. This seed of self-education gave him harvests of achievement, theoretical and material.

This happened to him, under the constitution that rules this country. Under that constitution he went, from the vestibule where messages are given

out for delivery, to the Cabinet room, in which great issues of human import are decided. One of the most obscure among the governed, he became one of the leaders of the governing power.

Compare with the things that happen in England—the Salisbury family, for example—the great House of Cecil. It has governed England almost continuously from the "spacious days" of Elizabeth. It is rich in traditions of government, traditions of diplomacy, traditions of statecraft. Its members have pillared the universities of their country with their numbers, and seen men and cities by much travelling. Full of knowledge, and heirs of eminence, did they rely on themselves for political advancement? Yes, but as a general rule, only up to the moment when the nepotism hallowed by centuries of precedent wrapped them up like the cloud that enveloped Elijah in the fiery chariot, and their chariot of rising was the Cabinet of their bleeding country. Only the other day, when the great Marquis of Victorian days, who, it must be said, owed nothing to nepotism, was at the height of his power, that chariot carried five members of his family. Some folk wondered, but no folk said anything—and, indeed, who shall say anything to the Cecils?

See how different the rise of Ward in our political firmament. Without Alma Mater, without degrees, without traditions, without the nepotism that takes all these to its capacious and biased bosom, this career came to the greatness equal in its country to the greatness of the Cecils in theirs.

Is there anything very wrong in the Government of the country in which there is such opening of careers to the talents of the people? It may require changes and reforms of practice by adjustments, and does so, and gets on, as the story of the Liberal Party under its reforming leaders has amply proved. But there is in some quarters a call for

more than adjustments. The career of Sir Joseph Ward—with many other life successes among us—is a trumpet proclamation of the futility of the crowd that gets nowhere because its ambitions are dreams, and of the unreason that prefers mass intentions to individual effort. In a world that discourages individual effort, individual initiative, individual responsibility, Sir Joseph Ward and the very many men whose careers adorn our civilisation, would be unseen, unheard, and unmarked. Their fine qualities would be lost to the community that needs them. The constitution which has opened the way to their careers requires no radical amendment, and those careers prove that they, and the men who made them, can be trusted to make those adjustments of practice whenever they are needed. Such is this lesson of Sir Joseph's career. Whatever happens to him and his Cabinet, that supreme lesson will never be forgotten in the New Zealand he has served so long and so well.

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