

NOTE.—The matter appearing in ordinary roman and erasure type is as transcribed from the shorthand notes : that in erasure type and in italics respectively showing omissions, substitutions, and amendments subsequently made at the desire of the witnesses as corrections of their evidence.

MINUTES OF EVIDENCE.

TUESDAY, 21ST AUGUST, 1883 (Mr. MASON, Chairman).

Mr. J. M. DARGAVILLE, M.H.R., examined.

1. *The Chairman.*] Mr. Dargaville, the Committee have agreed to this resolution : "That the Committee is of opinion that the speech of Mr. Dargaville on the 31st July, 1883, does impute political corruption against the Premier and Treasurer ; and that it also imputes personal dishonour to the Treasurer, and is capable of being interpreted as imputing personal dishonour to the Premier." Do you wish to state anything to the Committee in regard to that resolution ?—So far as the first part of the resolution goes, I agree with it. I did impute political corruption ; I intended to impute political corruption. I have yet to learn that in doing so I have transgressed ordinary parliamentary rules. That is the position I take, as far as regards the first part of the finding of the Committee. I entirely dissent from the finding in regard to the rest of it. I have to ask that the Committee will indicate what portions of my speech impute personal dishonour to the Treasurer, or are capable of imputing personal dishonour to the Premier. If the Committee will indicate the portions that do that, then I will further reply.

2. I may state that the Committee has based its decision upon the following passages in your speech :—

"I regret to think that in the financial arrangements of the Government of this colony the public interest is not first considered ; and I say it is almost necessarily so, because they are so bound up with the interests and necessities of a certain institution of this colony that it has become a matter of vital public importance that they should study the interests of that institution ; and I give it as my candid opinion here, apart from all party considerations, that the principal inducement on that occasion was to consider the interests of the institution that I have named.—(Name.) I mean the Bank of New Zealand. I say that I believe—indeed, it is my sincere conviction—that had it not been for the interests of that institution the Government would have been able to carry on until this year without going to the loan market.

"I will only refer to the financial legislation of the colony, so as to be able to show from the past that I have reasonable ground for accusing this Ministry—and when I say this Ministry, I do not refer to any members of it, except the leaders of this bicephalous Government ; I mean the leader in the Upper House, and the leader in this House—the Hon. the Premier and the Colonial Treasurer. Those are the gentlemen I am referring to when I am speaking now of financial legislation and the effects of the property-tax. I shall go back a considerable distance, and trace the origin of the influences that are now at work, and have been for years, in controlling the financial legislation of this country. I go back to the year 1867, when two Acts, which will not readily be forgotten by those who were connected with politics at that time, were passed. One was called the Public Debts Act and the other the Consolidated Loans Act. These Acts provided that the debts and obligations of different local bodies—Provincial Governments and others—should be consolidated ; that the colony as a whole should adopt them, and undertake the payment of interest and principal. By the passing of those Acts something approaching an enormous political fraud was committed upon the whole colony. Profits to the extent of hundreds of thousands of pounds were placed in the pockets of a few individuals, and I charge the prominent persons connected with the present Government with being the prime movers in that.

"The gentlemen who were instrumental in doing that were the honourable member who now occupies the position of Premier in this colony, and his partner Mr. Thomas Russell ; and I say that in consideration of their services for that matter—to show how valuable their services were regarded as being—they were paid the sum of £10,000 by the Bank of New Zealand for their political services in connection with that matter. I want to mention these things to show that these influences have been at work in the past, and are now at work. I say that, from that day to this, having tasted the sweets of the financial legislation of the colony at that time, they have panted for the same thing ever since. They have enjoyed it over and over again, and now in respect of this property-tax they enjoy special immunities and advantages which are placing annually thousands of pounds of profits in their pockets ; and I will proceed to show how. I pointed out last year that one of the effects of this property-tax was to place a hindrance in the way of persons who are desirous of investing money in the colony—that it was a hindrance to the introduction of foreign capital. That is so as regards private individuals only. The Act is so framed, and the provisions are so cunningly drawn, as to give special facilities to loan companies. I shall show how the Act, as it is now framed, operates in respect, firstly, we will say, of the principal loan company in the colony—I suppose that is the New Zealand Loan and Mercantile Agency Company—and afterwards in relation to this new bantling introduced to the public during the last few days, the prospectus of which is published in our daily papers. It is provided by the 15th section of the Property Assessment Act.

"The honourable gentleman says 'Hear, hear.' I say that if he was a party to that Act he ought to hide his head in shame, for such a gross piece of class legislation was never before enacted in this or in any other colony. I now come to this other bantling which has been introduced to the public within the last few days. I mean the New Zealand Land Mortgage Company (Limited). What do we find here ? Another of the companies which are to derive special benefit and exemption from this Property Assessment Act. I may say that the company is launched under the auspices for the most part of the ring in Auckland, who I firmly believe govern the financial policy of this country. The honourable gentleman calls himself the Treasurer of New Zealand. Sir, he is not the Treasurer. He is the accountant—he is the instrument in the hands of those men. He is their willing tool. They keep him in his office. He knows it. He knows that he could not occupy those benches for a single week beyond the time he had their support at his back. He knows that : and therefore I say he is their willing instrument ; and therefore I charge him—fully believing that I charge him justly—with being a party to this gross class legislation under the Property Assessment Act.

"It taxes very lightly the moneys of those capitalists who are bound together, and who are already exercising an enormous power and influence, politically and otherwise, to the injury of this colony, and that it comes down very heavily upon those who have small means, or who send their money out to be invested apart from the operations of that company. I charge the Colonial Treasurer with being a party to this, because he was the man who brought in an Act to abolish a tax which acted fairly and justly, and to put this in its place.