

throw out a Bill which provided for the remission of taxation was discussed in the House. A Bill proposing to abolish the export duty on gold had often been before Parliament. On more than one occasion the Legislative Council had laid the Bill aside. The right of the Council to do this was challenged by Mr. Pyke, and a Committee was appointed, consisting of Major Atkinson, Mr. Conolly, Mr. Fergus, Colonel Fraser, Mr. Montgomery, Mr. Seddon, Mr. Guinness, Mr. Pyke, and the Minister of Mines, to search for precedents. The Committee reported as follows:—

Your Committee, having diligently searched for precedents and inquired into the usages and practice of the Imperial Parliament, to which the General Assembly of New Zealand is an analogous body, possessing and exercising the same rights and privileges, have the honour to report as follows—

1. That the right of granting aids and supplies to the Crown is in the House of Representatives alone, as an essential part of its constitution; and the limitation of all such grants as to matter, manner, measure, and time is in it only.

2. That, although the Legislative Council has exercised the power of rejecting Bills of several descriptions relating to taxation by negating the whole, yet the exercise of that power by the Council has not been frequent, and is justly regarded by the House with peculiar jealousy, as affecting the right of the House of Representatives to grant the supplies and to provide the ways and means for the service of the year.

3. That, to guard for the future against an undue exercise of that power by the Legislative Council, and to secure to the House of Representatives its rightful control over taxation and supply, the House has in its own hands the power so to impose and remit taxes and to frame Bills of supply that the right of the House as to the matter, manner, measure, and time may be maintained inviolate.

4. That this power may be exercised in accordance with the practice of the House of Commons, initiated in 1861, and since continued, by embodying in one Bill the whole or any part of the financial arrangements of the year.

No action was taken on this report, but another Bill, providing for a gradual reduction in the gold duty, was introduced, and passed by the House of Representatives. This Bill was also laid aside by the Council. No steps were taken by the House.

It will be seen, from what has taken place between the Legislative Council and the House of Representatives, that the differences that have arisen parallel almost the history of the conflict between the two Houses in England regarding supply Bills. In the early days of the Parliament the Lords were allowed to amend the supply Bills without much objection, and greater latitude was granted in dealing with local taxing Bills than is now allowed by the House of Commons. In 1671 (see Appendix No. 10), and again in 1678, the Commons took a firm stand on their privileges regarding supply, and since then the House of Lords has not ventured to interfere with any Bill of supply.

So far as New Zealand is concerned, no Appropriation Bill has been attempted to be interfered with by the Legislative Council since the first Parliament. The question as to whether a particular Bill was one of supply has often been raised; but, whenever it could be shown that a Bill or clause of a Bill dealt with supply,

then the power of the Legislative Council to alter or amend it has always been challenged.

The powers of the Lords to deal with the levying of rates, even though they were of local character, has been denied, the only concession being given that the Lords should have the right of altering private Bills. Since "The Native Lands Act, 1862," the power of the Council to alter the rating clauses of a Bill has not been specifically raised till last session, when, as I have already stated, the House of Representatives insisted that the Legislative Council had no power to deal with the imposition of rates even by local bodies. It was not until 1860 that the House of Commons passed the clear and explicit resolution, which was moved by Lord Palmerston,—

1. That the right of granting aids and supplies to the Crown is in the Commons alone, as an essential part of their constitution; and the limitation of all such grants, as to the matter, manner, measure, and time, is only in them. 2. That, although the Lords have exercised the power of rejecting Bills of several descriptions relating to taxation by negating the whole, yet the exercise of that power by them has not been frequent, and is justly regarded by this House with peculiar jealousy, as affecting the right of the Commons to grant the supplies and to provide the ways and means for the service of the year. 3. That, to guard for the future against an undue exercise of that power by the Lords, and to secure to the Commons their rightful control over taxation and supply, this House has in its own hands the power so to impose and remit taxes, and to frame Bills of supply, that the right of the Commons as to matter, manner, measure, and time may be maintained inviolate.

If this English precedent be followed, then the right of the Legislative Council to lay aside a Bill remitting taxation will, in future, be challenged, and possibly the plan hinted at in Lord Palmerston's resolution—a "tack"—may be adopted. Whether this resolution of the Commons was or was not a stretching of the powers of the Commons need not be debated. Writers on constitutional history have assumed it was within the power of the House. (See Todd, Vol. I., p. 459, May.)

ROBERT STOUT.

Wellington, 3rd December, 1886.

APPENDIX No. 1.

Correspondence respecting the Powers of the Two Houses of the Legislature of Queensland.

Governor Sir A. MUSGRAVE, G.C.M.G., to Colonel the Right Hon. F. A. STANLEY, M.P. (Received, 12th January, 1886.)

Government House, Brisbane,
Sir,—
26th November, 1885.

I have the honour to forward to you an Address to Her Majesty the Queen, voted by the Legislative Council and Legislative Assembly on the 17th instant, concerning questions which have arisen between those two bodies with respect to their relative rights and powers, and which has been presented to me by the President of the Council and Speaker of the Assembly for transmission to you.

2. I also enclose a copy of a letter to me from the Colonial Secretary and leader of the Government upon the subject of this Address, with copies of the documents therein forwarded.

3. I agree entirely in the views expressed by Mr. Griffith, and believe that it would be difficult to