

ADDRESS TO THE PEOPLE OF OTAGO BY HIS HONOR JAMES MACANDREW.

FELLOW COLONISTS,—As the elected head of this Province, specially charged to watch over and protect its interests, I deem it due, both to you and to myself, to give expression to a few thoughts as regards the present political situation.

I desire to do so as briefly as possible, and as an earnest man speaking to earnest men.

I am deeply impressed with the conviction that we have reached a crisis in the political history of New Zealand, upon our right action with regard to which now, depends the future of the Colony for good or for evil.

I assume that you are all aware of the fact that a majority of your representatives in the Colonial Parliament have decided that your Provincial Legislature is to be abolished, and that but for the strenuous efforts of a minority this abolition would have been an accomplished fact, without any reference whatever to your wishes or opinions on the subject. As it is, the operation of the Act has been postponed until after the prorogation of the next Session of the new Parliament. So that the people of New Zealand may, at the approaching election, have a voice in the matter.

What I now earnestly desire is, that the people of Otago would calmly and deliberately consider for themselves the effect which the abolition of the Province is likely to have upon their own interests. To my mind that effect cannot fail to be very disastrous indeed, and it may be added that this conclusion is based upon a somewhat intimate acquaintance with the past history and present position of the Colony.

It cannot, I presume, be denied that, considering the extent of its territory, the short period of its existence, and the comparatively small handful of its population, the progress of Otago hitherto has been perfectly marvellous, all the more so looking at the fact that it has contributed upwards of two millions of money to the Colonial chest, in respect of which there has not been one single shilling of value received. Just fancy to yourselves what this sum might have accomplished had it been expended in developing the resources of the Province.

Nothing can more forcibly illustrate the progress of Otago, which a quarter of a century ago was an unpeopled wilderness, than the fact that of the thirty-two colonies of Great Britain no less than twenty-eight are inferior to this Province in respect of the amount of its public revenue and the extent of its commerce.

In my opinion the only thing which has prevented the still further progress of Otago has been the abstraction of its revenue by the Colony, and the action of the Colonial Legislature, by which the Province has been deprived of the power of carrying on immigration and public works on its own account, both of which I maintain in the nature of things could have been more satisfactorily conducted by the Provincial than by the General Executive. As a striking example of the contrast between the two systems, we need only revert to the fact that under General administration, the cost to the Colony on immigration has been upwards of £21 10s. a head for each statute adult, while under the system so successfully carried on for years by the Provincial Government, the total cost did not exceed £15 10s. per adult, the quality of the immigration comparing favourably with that of the former. There was nothing to have prevented the whole of the recent immigration into this Province from having been conducted on the same terms, had the Province been allowed to borrow for the purpose, as the Colony did.

How far our past progress is to be attributed to the action of the local Legislature is a question upon which opinions may differ; there can, I apprehend, be no difference of opinion, however, as to the fact that this progress has been in no degree attributable to the action of the Colonial Parliament; and yet it is now proposed to part with the one, and to place the administration of affairs entirely in the hands of the other.

One great argument—indeed, I may say the only argument—which has been adduced in favor of abolishing the Provincial Legislature, is the alleged saving of public expenditure which would be effected thereby. This is an argument, however, which might be more forcibly applied towards the abolition of the Colonial Legislature, as at present constituted. The Provincial Legislature and Executive of Otago (which could fulfil all the functions of the Colonial Legislature and Executive without any additional charge) costs one shilling and sixpence per head on the population of the Province, while the Colonial Parliament and Executive costs two shillings and ninepence per head.

As regards the whole Country, the total cost of the nine Provincial Councils and Executives is under £32,000 a year, while the annual expense of the General Assembly and Colonial Executive is over £50,000. If you add to this £250,000 of annual departmental and other charges—which would disappear along with the General Assembly—you will be able to judge as to where the greatest saving might be effected. I may say that the foregoing figures represent expenditure in respect of services which might be dispensed with without detriment to the public interest; they do not include anything connected with the Immigration and Public Works Department, in both of which there would be a material reduction were these matters left to the Provinces.

I repeat that the Abolition Bill, if carried into operation, must be disastrous to the interests of this Province in various ways. I shall only allude to one or two facts, which will serve amply to bear out this opinion. We will take first and foremost the territorial revenue, which, although *de jure* Colonial revenue, has been hitherto *de facto* the revenue of the Province, and appropriated by the Provincial Council towards roads and bridges, the erection of schools, subsidising local Road Boards, &c.

Under the Abolition Bill the annual interest upon the Provincial debt becomes the first charge on the land revenue to the extent of £90,000. The residue, if any, goes into the Colonial Treasury, to be appropriated by the General Assembly. I say the

residue, if any, because it is quite possible that there may be no residue, inasmuch as in the event of our railways not paying more than working expenses, the interest on their cost is legally chargeable on the Land Fund. Assuming, however, that there will be a residue, you may be certain that very little, if any thereof, will find its way back to you—the Colonial horse-leech must first be satisfied. Although it is likely that the railways in this Province will yield sufficient to cover both interest and working expenses, yet there are political lines in New Zealand with regard to which it is to be feared that such will not be the case; and so surely as any portion of our Land Fund goes into the common purse, just as surely will it be applied towards deficiencies in every part of the Colony. The probability is that railways in Otago will be a source of revenue, which, under Provincial administration, would be expended wholly within the Province, but which, under the proposed new order of things, will not be so expended.

In fact, it was broadly stated from the Ministerial bench during the late Session, that whatever surplus may be derived from remunerative railways should be devoted towards making up the deficiency of those which may not pay, in whatever part of the Colony they may be situated, and this undoubtedly will be one of the practical results if the Abolition Bill comes into operation. I regard this declaration as a gross breach of that fundamental principle which was laid down when the Public Works policy was agreed to, namely, that each Province should be charged with the cost of its railways; on no other condition would I and others have assented to the policy. As it is, it only shows the folly of relying upon the stability and good faith of the Colonial Legislature, where the rights and interests of particular Provinces are concerned.

Reverting to the abstraction from the Province of its Land Revenue, I look upon it, that unjust and injurious as this will be, the blotting out of the Provincial Council, as exercising a watchful eye upon the administration of the Waste Lands will be more detrimental still, and will probably result in the public estate falling into the hands of the few instead of the many, and in the indiscriminate renewal of leases without reference to the requirements of settlement, or to their real value.

There is nothing that I deprecate more than setting class against class. I have always regarded the pastoral interest as one of the greatest and most important in the Province, and can see no necessary antagonism between it and any other. I regret, therefore, to think that the abolition of the Provincial Legislature is in a great measure supported by this interest, in the hope that it is likely to get a renewal of leases on better terms under Colonial than under Provincial administration.

In the course of the next few years, nearly the whole of the pastoral leases throughout the Province expire. Should the administration continue in the hands of the Province, the pastoral tenants will be greatly multiplied in number, and, instead of runholders, will become thriving and wealthy sheep farmers, living on their estates and employing a large amount of labor; a consummation which will add greatly to the public revenue, and will tend to elevate the position of the Province both politically and socially.

Now, let us glance at the other reasons which are adduced in favor of the proposed constitutional change. It is said that several of the Provinces are bankrupt; that they are unable to carry on any longer; that is to say, they are unable for want of means to perform those primary functions of government which have hitherto devolved on them, viz., the protection of life and property, the education of the people, &c., &c.

If, however, the Provinces are unable to carry on these functions without funds, how is the Colonial Government to carry them on? It is clear that it must do so with money which it has derived from the so-called destitute and needy Province itself, or with money derived from other Provinces. For example, in this latter case, the Gaols, Police, Hospitals, and Schools in Auckland are to be upheld partly at the cost of Otago—a proceeding against which I shall always protest, and which the Provincial authorities of Auckland reject with scorn. They say, let us have the management of our own affairs and a fair proportion of our own revenue, and we shall provide for the peace, order, and good government of the Province without imposing on our neighbors.

I deny that there is any necessity for the Provinces being unable to perform their functions, but I will tell you why some of them are unable to do so. It is simply because the public revenue, a large proportion of which used to be devoted towards the necessary purposes of government, has been gradually more and more withheld from the Provinces, and absorbed by the Colonial Parliament, until at length all that is left is 15s. a head capitation allowance; that is to say, the people of Otago, out of the £5 contributed annually to the Colonial chest by each man, woman and child, receives in return the magnificent sum of 15s., wherewith to pay the interest on the Provincial debt, to maintain the absolutely necessary public departments, and to carry on the greater portion of the real government of the country. It will readily be seen that but for its land fund, of which it is now to be deprived, Otago would have been in no better position than the poorest of its neighbors.

I repeat that if any of the Provinces have been left high and dry, it is in consequence of the lion's share of the revenue having been absorbed by the Colonial Parliament, and applied to—what? Not towards the paramount purposes of Government—not to the settlement and occupation of the Colony—but to the maintenance of a Legislature at Wellington, and of a Colonial establishment upon a scale of extravagance unparalleled, I believe, in any other country in the world similarly situated.

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