

honourable gentleman should allow Parliament to go on. There are other reasons why the business of the country should be gone on with at the present juncture. One is this: that we have come to a period in the history and condition of the affairs of the country such as we have not experienced for the last seventeen or eighteen years, when the political tide has commenced to turn, and things are not as prosperous as they were a few years back. I need not refer to the question that has been referred to by Mr. T. E. Taylor and Mr. Fisher—to the condition of poverty that prevails; but there are other questions that require to be dealt with just now, right away. There is the condition of the public service of the Dominion. The right honourable gentleman has admitted in a speech he made at the Upper Hutt that the Government are spending a quarter of a million more per annum on the public service than they have any right to spend. He proposed to make reductions in the Civil Service which will have the effect of saving the country a quarter of a million sterling per annum. Well, there is only one construction to be put upon that proposal, and it is that £250,000 per annum has been spent by the Government in power which should not have been spent, and that the members of the Ministry admit this. That is the admission. What other construction can be put upon it? However, I will not deal with this question at length now. I simply mention it to show the significance of the question of the position of the public service of New Zealand. Is it not time that the right honourable gentleman introduced legislation which would have the effect of placing the public service of the Dominion under an independent non-political Board? Is not that a question that should be immediately dealt with? Is it not a question that the country is anxious to see seriously considered immediately, and which we should insist upon attacking?

The Right Hon. Sir J. G. WARD.—And you suggest that that should be done in my absence?

Mr. HERDMAN.—I suggest that it should be considered in your absence. And with all due respect I suggest that you have colleagues sitting beside you who are fully able to deal with this important question even in your absence. Then, there is another matter. We hear from the Minister of Railways that the 3-per-cent. policy has failed. I understood from a speech made some time ago by the Prime Minister that the 3-per-cent. policy had been in vogue for a considerable time, and had been a pronounced success. We have one Minister saying one thing one day, and another Minister saying something else the next day. Is not the administration of the railways of the Dominion a question that should be dealt with immediately? We find, if we go to Australia, that in New South Wales, after allowing interest on capital cost, after providing for the working-expenses and replacement, they have a profit of £600,000 per annum, while our system of management of railways leaves us with an annual loss of over £150,000—really more than that; I am putting it at the lowest possible figure. This is another question we ought to deal with, and I merely mention it to show that there is no justification at all for closing down Parliament during your absence. There is only one other thing I will refer to. Take the tightness of the money-market alluded to. That stringency is said to be due to a very large extent to the depreciation in the price of wool. Well, wool has fallen. Among other causes you refer also to the flax industry. Wool has recovered, and a fair price can now be got; the same does not apply to flax. I assert that the real cause of the depression has not yet been alluded to by any member of the House. The real and most potent cause of depression is the system of administration and legislation which has been carried on in the Dominion—a system which has created in the minds of people who have money to invest in the community a feeling of dread and fear. The principal causes of the depression at the present time are not the drop in the price of wool, not the alteration in the condition of the flax industry, not the trouble in connection with the timber, but it is the persistent interference with the rights of individuals and the condition of terrorism which exists in the minds of people who have a little cash invested here. I say that people are afraid to bring their money here. Old institutions that existed here at one time, and who had money invested on mortgage, have withdrawn their investments.

The Hon. Mr. T. MACKENZIE.—Because they can get better interest elsewhere.

Mr. HERDMAN.—Not at all.

The Hon. Mr. T. MACKENZIE.—Yes; in the Argentine they can get 8 per cent.

Mr. HERDMAN.—I am not alluding to the Argentine at all. I am alluding to those who have trust-money to invest, and who have taken it away. We know how individuals are treated who have capital invested in industries in this country. I suggest that one of the principal causes of the driving of capital out of the country, and what has led very much to the condition of depression, is the policy which you gentlemen on the Government benches have adopted in the past, and I think that the one thing that will save this country and that will establish confidence is for the Government to resign their position.

Mr. MALCOLM (Clutha).—Sir Joseph Ward perhaps will excuse me if I refer to an answer he gave while the member for Wellington Central was speaking. He interjected that the member for Wellington Central had been preparing his speech with a certain gentleman for the last six weeks. I trust that does not mean that the actions of members are watched and retailed to the Premier; but there has been a suggestion that such was formerly the case. I say emphatically that if such a feeling exists amongst members, the sooner that feeling is allowed to disappear the better.

An Hon. MEMBER.—What about the Nuggets?

Mr. MALCOLM.—I will give the honourable member, if he wishes it, some information Amy Bock gave me regarding himself; but perhaps the honourable member would not wish that. I consider that honourable members are justified in speaking at some length on the questions raised in this debate, because the proposal of the Government that Parliament should adjourn seems to me detrimental to the interests of the country, and derogatory to this House. I say derogatory to this House, because it would give some foundation for the statement that is made, sometimes in jest and sometimes in all seriousness, that it would not affect the welfare of the country if Par-