

Fabian Tract No. 74.

THE
STATE AND ITS FUNCTIONS
IN NEW ZEALAND.

PUBLISHED BY

THE FABIAN SOCIETY.

PRICE ONE PENNY.

LONDON :

TO BE OBTAINED OF THE FABIAN SOCIETY, 276 STRAND, W.C.

DECEMBER 1896.

BIBLIOGRAPHY.

- The Official Year Book of New Zealand ; 1891, 1892, 1893, 1894, 1895, 1896.
- The Journal of the (New Zealand) Department of Labor. Government Printer, Wellington. Monthly, 2d.
- The Labor Laws of New Zealand (1877 to 1895). Government Printer, Wellington.
- The Education Acts and Land Acts of the Colony, and a handy book of the Land Transfer Act, are published separately by the Government Printer, who also issues the annual reports of the several departments of Lands, Public Works, Public Trust, Education, Mining, Agriculture, Labor, Hospitals and Charitable Aid. Information relative to Municipal matters is difficult to obtain.
- The Education System of New Zealand. Speech by Sir ROBERT STOUT, 19th June, 1896 ; New Zealand Parliamentary Debates, vol. 54.
- Land System of Australasia. By WM. EPPS. Swan Sonnenschein & Co., 1894.
- A Statistical Account of the Seven Colonies of Australasia (1895-96). By T. A. COGHLAN. Government Printer, Sydney, 1896.
- Social Politics in New Zealand. By Sir JULIUS VOGEL. *Fortnightly Review*, 1892.
- State Socialism and Labor Government in Antipodean Britain. Paper by the EARL OF ONSLOW (late Governor of New Zealand), Royal Colonial Institute, November, 1892.
- Recent Socialistic and Labor Legislation in New Zealand. Paper read before the Literary and Philosophical Society of Liverpool, April 2nd, 1894, by J. MURRAY MOORE, M.D., F.R.G.S.
- The Present Position of Adult Male Labor in New Zealand. By EDWARD REEVES. *Westminster Review*, 1895.
- Reform and Experiment in New Zealand. Speech by the Hon. W. P. REEVES, June 26th, 1896. Publication of the Eighty Club.
- Five Years Reform in New Zealand. By W. P. REEVES. *National Review*, August, 1896.
- The Colony of New Zealand. By WILLIAM GISBORNE. London : E. A. Petherick, 1891.
- New Zealand Rulers and Statesmen. By WILLIAM GISBORNE. Sampson, Low & Co., 1886.
- For Individualist and *advocatus diaboli* criticism consult *L'Australie et la Nouvelle-Zélande*, by Pierre Leroy-Beaulieu. *Revue des Deux Mondes*, June, August, September, 1896.
- J. A. FROUDE'S "Oceana" is picturesque, but notoriously inaccurate.
- New Zealand After Fifty Years. By EDWARD WAKEFIELD. Cassell & Co., New York, 1889 ; gives a well-written general sketch of the Colony.
- Progressive Legislation in New Zealand. *Progressive Review*, December, 1896.

THE STATE AND ITS FUNCTIONS IN NEW ZEALAND.

THE causes of the Collectivist tendencies so often displayed in modern colonies are not far to seek. Face to face with distance and the wilderness, the individual, whilst roused to put forth all his strength, is at the same time taught his weakness. With his own hands, or those of servants, he may plough, drive, hew, build. He may make a home for himself and supply the first common needs of life. But if this life is to be brought into touch with civilization; if his home is to be connected with the seaboard by a road even, to say nothing of railway and telegraph; if his own children and those of his neighbours are to grow up, not barbarians, but educated men and women, then there is but one power to invoke. Young colonies are, as a rule, too small, far off, and little known to tempt the giant capitalist from Europe. Money is too scarce amongst pioneers for them to form many rings or syndicates for the development—or exploitation—of their resources. That comes later. The State, and the State alone, is able to raise money in London at rates not plainly ruinous: so to the State is entrusted the main work of opening up. It would be easy to point to exceptions, the chief of which in the British Empire is probably the Canadian Pacific Railway. Still, they are exceptions; the rule is that the securing of transit and communication are in colonies prime functions of the State.

But even at an earlier stage than the making of railways and telegraph-lines, colonists grow familiar with Collectivism. Philosophic anarchy has no temptations for the working settler. He may know nothing of political economy and social theories—in books. But he knows the imperative need of social organization. The Anarchist ideal, as expressed at the International Labour Congress in the Queen's Hall, Langham Place, viz., that "every man should be let do what he thinks right," finds no favour with the practical pioneer. For him it would mean that his cattle would be stolen, his sheep infected with disease, his fences broken down; that roads would remain unmade, bridges unbuilt, children untaught. The very land of the settler, his one source of hope, his one stay and anchor, must be surveyed and mapped out by competent government officers, or the title of its holder will be uncertain and his life one long anxiety.

So from the first the settler is used to the notion of co-operation, and knows the value of the help that man gives to man in the struggle with Nature. Only here and there some great pastoral landowner, whose sheep roam in tens of thousands over leagues of

undisturbed pasture, needing only the care of a few shepherds, flatters himself that he can dispense with humanity. He makes a solitude and calls it independence. But for the rest, the average settler is brought almost daily into contact with local self-government and the urgent need of it. He has to sit as a member of one public board, to help to elect another, to prefer a request to a third, to resist the action of a fourth. Government is very near to him. Even as a voter he feels his influence. When electors number but a few units, a few scores, or at most a few hundreds, the least imaginative man feels that he has weight, and is an effective fraction of the community. Warnings against State interference do not frighten him. Is he not an active part of the State?

Freedom, education, bodily vigour and the conditions of colonial life all tend to make the colonist and his children quick, self-reliant and sanguine. Thus, side by side with a remarkable advance in collective energy, we see in the individual colonist a person by no means mentally starved or stunted, but rather distinguished by a venturesome, confident, assertive spirit. This again shows itself in the boldly experimental, yet at the same time practical, fashion in which social and economic problems are approached in such colonies as the one here dealt with.

We select New Zealand as the most instructive example of the Socialistic trend in our colonies. Not that this Colony stands alone; others, South Australia in a notable degree, show the same disposition. But New Zealand has of recent years fairly eclipsed her sisters in the number and variety of the methods by which she has extended the functions of her government. The area of her islands approaches that of ours; her colonists are in race a mixture of English, Scotch and Irish, without any large foreign element such as the French in Lower Canada. Unlike South Africa, she has now no distracting Native Question. Her climate, which is that of Italy, without malaria or the sirocco, is admirably suited for the Briton to work in, whether with brains or hands. All these things make New Zealand and her institutions more easy for the sympathetic English observer to study and understand.

The student must not, in approaching this Colony, expect a Utopia. The Socialistic movement at the Antipodes has gone some distance on the Progressive path—a distance which, measured by the accomplishments of the English Parliament during the last decade, seems immense. But the space which still separates the Colony from anything like complete and scientific Collectivism is even greater than that which her reformers have already traversed.

In other words, the industrial system of New Zealand is still ordinary European capitalism. The State enters into the market, but only as the most important of many competitors. It is but the largest landlord, not the sole landowner; the largest employer of labor, not the employer of even a majority of the workers amongst its people. It is but the most successful of half-a-dozen life insurance agencies doing business within its borders. It teaches nine-tenths of the children, but the parents of the remaining tenth exercise the right—which all have—of preferring private teachers. The Public

Trustee holds and manages £1,800,000 worth of property, but private trustees, executors, administrators, and guardians, have far more than that under their care. One field the Government has quite to itself: it conducts not only the post, but the telegraphs and telephones. But though it also owns nearly all the railways, it has to compete with private carriers both by land and sea—the latter important competitors in a country not only insular, but long, narrow, and mountainous. The material required in the railway and other departments is almost all bought from private manufacturers in England or at home: the State in New Zealand is scarcely as yet a manufacturer at all. Above all, nearly all the money for the construction of railways and other public works, even public buildings, has been borrowed in London. The New Zealand Government is, therefore, not only a great "Captain of Industry," but a heavily indebted one; not only a landlord, but a mortgaged landlord. Like other debtors, New Zealand is anxious not to forfeit the good opinion of her creditors, and investors in Colonial Stocks are not, as a rule, advanced Socialists.

All these things have to be remembered in studying the venturesome, almost daring, series of experiments entered upon by the Parliament and Government of New Zealand during the last few years. Before going further it should be noted that municipal collectivism has made no great strides at the Antipodes. Water companies indeed are unknown there, but most of the towns depend upon contractors for their supplies of light; municipal fire insurance is only just being talked of; recreation grounds are fairly plentiful, but are not by any means always managed by the municipality of the place. None of the town councils do anything for the education of the people, and but few think of their entertainment. The rural "County Councils" concern themselves almost solely with road-making and bridge-building. The control of hospitals and charitable aid, though entirely a public function not left in any way to private bounty, is entrusted to distinct boards. Indeed, the minute subdivision of local administration has been carried to extreme lengths in New Zealand, where the hundreds of petty local bodies, each with its functions, officers, and circle of friends and enemies are sometimes but so many tiresome stumbling-blocks to thorough-going local reform. In New Zealand the municipal lags far behind the central authority on the path of progress. This is no doubt due, at least in part, to the difference in the respective franchises. The New Zealand ratepayers' franchise is more restricted than that of the English councils.

The financial side of the State's industrial undertakings in New Zealand demands a word. The Colony's debt looks formidable. But what does it represent? The first few millions at any rate are not to be laid to the charge of State Socialism. They were incurred in conquering the natives of the northern island, a stalwart and stubborn race. That once done, in a series of wars, some necessary, some blundered into, all costly, the Colony, about twenty-six years ago, launched out on a policy of constructing public works, importing immigrants and buying land—from the natives aforesaid—all with money borrowed in London at rates gradually declining from five to three and a half

per cent. Between thirty and forty millions were thus laid out. On the whole, be it observed, the State carried out this great enterprise well. Mistakes there were, and worse than mistakes. Yet when we recall the riotous carnival of wastefulness, corruption, gambling and extortion which signalized our own railway mania in the 'forties, the ruin it wrought, the permanent burden it laid on posterity, then the construction of public works by the State, even when involving a heavy National Debt, appears at worst the less of two evils. The public works policy has raised the debt of New Zealand to more than £40,000,000, a huge sum for three-quarters of a million of people to owe. But it has endowed these with railroads, telegraphs and telephones worth something nigh half their whole debt. It has swelled their exports to nine millions a year in the face of falling prices; has left them worth some £240 a head, with an average income of £41 for each man, woman and child; and has placed most of the intellectual and social gifts of civilization within their reach. Their railways and telegraphs are not worked to earn dividends for shareholders, but to furnish transport for the nation. The revenue from these and from the land is already substantial, will increase, and should be counted in when the Colony's debt is compared with that of nations which have flung away scores of millions in wars and the keeping up of courts, armies and fleets.

But perhaps the chief advantage of Socialistic policy was that it gradually but thoroughly accustomed the colonists to the constant extension of the State's functions. The middle-class—there is no colonial aristocracy—was estopped from advocating Individualism. Any spasmodic attempts made by members thereof to indulge in philosophic denunciations of State interference, stood self-condemned as ridiculously inconsistent. For the middle-class it was who took charge of the public works policy, and eagerly pushed it on. As far as they could they exploited it. It was they who took full advantage of its chief omissions—the neglect of a betterment law and the long delay in passing drastic agrarian laws. Not for them was it therefore to object to education grants, factory acts, or State money-lending, and when any of them did so, their protests were treated as so much idle wind.

Now to give the outlines of some of these State institutions. In the hey-day of the public works' expenditure, little attention was attracted when the Government obtained power to open a national life insurance office. It flourished, but it does not differ in its methods from private insurance offices. It is in no way the basis of any old age pension scheme. Its interest to the student lies chiefly in demonstrating that the State can conduct a business establishment on business principles, and draw ahead of powerful private rivals in the race for custom. About ten millions sterling are now assured in the New Zealand State Life Office.

Traffic in land amongst private persons goes on and will go on in our generation. That being so, one need not have any enthusiastic belief in the saving grace of "free land" to admit that buyer and seller, lessor and lessee, mortgagor and mortgagee ought to be able to transact their dealings without paying exorbitant fines to the

legal profession. The cheap and simple Torrens system of land transfer was adopted in New Zealand five-and-twenty years ago, and has worked smoothly and usefully from the first. Under its provisions, the parties to any dealing in land have merely to send an agent to the particular public office in which the land in question is registered. The transaction is inscribed in the office ledgers; a duplicate certificate or memorandum is handed to the person entitled to it, and the business is completed without complication or delay, and at the most trifling cost. All land parted with by the Government for the last quarter of a century is, as a matter of course, registered and dealt with under the Land Transfer Act. Any land previously under private ownership may also be bought under the Act. The Government office, once satisfied with the title, must register the property; and from that moment the State guarantees the title, it is indefeasible, and begins *de novo* with each fresh transfer.

The duties, responsibilities, and difficulties of Trustees, the dangers they run, the sufferings they endure—and inflict—have called forth displays of legal learning and humor, from the days of Blackstone to those of Mr. Augustine Birrell. In New Zealand, the best possible Trustee, the one least subject to accidents of fortune, and most exempt from the errors which beset man's honesty and judgment, has been found by experience to be the State. The Public Trust Office of the Colony worked at first in a humble way, chiefly in taking charge of small intestate estates. Experience, however, showed its advantages so clearly, that it has now property approaching two millions' worth in its care. Any owner of property, whether he be resident in the Colony or not, wishing to create a trust, may use the Public Trustee. Anyone who desires so to do, may appoint that officer the executor of his will. Anyone about to leave, or who has left the Colony, may make him his attorney. The Public Trustee may step in and take charge, not only of intestate estates, but of an inheritance where no executor has been named under the will, or where those named will not act. He manages and protects the property of lunatics. Where private trust estates become the cause of disputes and quarrels, between trustees and beneficiaries, the parties thereto may relieve themselves by handing over their burden to the public office. As was recently said by a well-known New Zealander: "The Public Trustee never dies, never goes out of his mind, never leaves the Colony, never becomes disqualified, and never becomes that extremely disagreeable and unpleasant person—a trustee whom you do not trust."

Twenty per cent. of the population of New Zealand are at school. In other words, out of a people numbering three-quarters of a million, 150,000 are receiving instruction at school or college, nine-tenths of these are being taught by the State, twenty-nine-thirtieths are at primary schools. Primary Education is not, as in England, a compromise, but a thorough-going scheme. Private schools are permitted, but are not aided or recognized. The education given is free, though parents have to provide school-books, and is entirely secular, though ministers of religion may hold classes in the school-buildings out of

school hours. The Act is administered by thirteen Boards, under whom are little committees attached to each of the schools, and elected by parents and householders. There is no Education Rate. The cost of Primary Education is met by an annual Parliamentary Grant, *plus* the revenue of certain landed endowments. The cost equals about one-tenth of the public revenues. The literary education of the primary schools is said to be excellent, and both the standards and percentages of passes are high. But little seems to be done in the way of technical instruction, though Parliament has recently shown a sense of this shortcoming by passing an Act intended to meet it. The secondary schools of the Colony seem neither to be free nor very largely patronized, but the University, which is an examining body, to which four colleges in different parts of the Colony are affiliated, is said to do capital work, not confined either to the male sex or to the children of the rich. The attachment of the New Zealand Democracy to its National Education System is intense. For the last twenty years it has over-ridden all political combinations. The advent to power, six years ago, of the Socialistic and Labor party, which still holds office, did not bring about any tendency to revolt either against the cost of the system or its compulsory character. On the contrary, a recent Act of Parliament tightened the law relating to compulsory attendance, has led to the prosecution of numbers of neglectful parents, and has swelled the muster-rolls of the schools.

Of the omissions of the Public Works policy here briefly sketched, the most unhappy and costly was the total neglect to safeguard the public estate. Railways, roads, and telegraphs, made huge tracts of empty land fit for human life. Settlers, or men who might have been made into settlers, were imported in shiploads. Others flocked to the Colony of their own accord. But little or no attempt was made to bring the settlers and the soil together. The latter was increasing in value by leaps and bounds, the former were for a while easily made useful as wage-earners. The land was sold right and left to any estate-owner or speculator who would buy it. Great leases from the Crown were thus turned into great freeholds. Blocks of all sizes were bought with borrowed money: a land fever began to rage amongst all classes of colonists. The inevitable collapse came quickly. So brief was the fever that but for the subsequent continuous decline in the price of the Colony's staple products—wool and corn—the effect might soon have been forgotten; as it was, mortgaged farms, ruined speculators, burdened banks, remained year after year witnesses of the fell effects of land speculation in a young colony.

Luckily, when much but not all of the public lands were gone, wiser counsels began to prevail, and sensible laws were passed. The area that any one buyer could acquire from the State was restricted. Rules obliging the purchaser to live upon his land and "improve," *i.e.*, clear, sow, fence it, were made more and more stringent. Now, even the purchaser of a freehold is not given his title-deed till he has thus proved himself a genuine occupier. Moreover, though nominally it is open to any one to select as much as 640 acres of the best class of land and buy it "right out," in practice the Crown lands are so

surveyed, subdivided and offered, that to get more than 200 acres of the best sort is not easy. Many even of the purely pastoral "runs" are now subdivided as fast as the leases fall in, into blocks of not more than five thousand acres—quite a small plot in Australasian eyes. But much the most important change has been the introduction of a form of tenure which bids fair to rapidly supersede both freehold and common leasehold. This is the famous Perpetual Lease. Under this the settler gets a lease for 999 years at a fixed rent of four per cent. on the value of his land, computed when he first takes it. He cannot change his holding into a freehold, he must occupy and cultivate it, and his heirs or assigns must do the like. No assignment of the lease is valid without the State's assent. No one already owning a certain amount of land can acquire one of these leases directly or indirectly. Thus *latifundia* is guarded against, the using of the soil secured, and the poorer settlers placed on it unencumbered. These are the good points of the New Zealand system. Its one weakness is the absence of any provision for periodical revisions of the rent. Most of these "perpetual" leases are certain to gain value by the unearned increment. The State will lose this and will have to battle against all sorts of attempts to traffic in it.

It should be added that this form of perpetual lease, which dates from 1892, replaced a more faulty kind by which the tenant, though subjected to periodical revaluations, was given the right to acquire the freehold of his land after a few years' occupancy. In the struggle for and against freehold tenure the whole strength of the Conservative Party has been repeatedly brought into action against State ownership. Hence the odd and illogical compromises which blot the otherwise excellent New Zealand land laws.

Under one of these laws what are called village settlements have been established. A piece of Crown land is divided into allotments of between twenty and fifty acres each. To the peasants who settle on these, small sums of money are lent by the Treasury, at five per cent., to buy seed, implements, building material and so forth, on the security of the improvements they make on their allotments. Their tenure is by perpetual lease, but usually subject to periodical revision. At present the rent is four per cent. on the prairie value of their plots. Most of the village settlers divide their time between tilling their farms and working for wages as shearers, harvesters or odd-job men. So far as they have been carried, these village settlements have been on the whole remarkably successful. The villagers, many of whom have now been on the land for ten years, pay their rents and, where they have borrowed from the Treasury, their interest punctually and without difficulty. They, with their families, now number some 5,000 human beings, holding nearly 35,000 acres. Roundly speaking, £26,000 has been lent to them. They have paid about £20,000 in rent and interest, and security for the remainder is represented by improvements assessed at not much less than £100,000. The only pity is that so safe and excellent a system should not have been applied on a larger scale. These New Zealand villages differ from the communal or co-operative settlements on the River Murray in South Australia. Neighborhood is

the only bond between the New Zealand allotment holders, each of whom is an independent tenant responsible only to the Government.

Another experiment is the State farm. On a fertile tract of 800 acres of forest-covered land a number of destitute but decent work-people were placed, to be employed in clearing and cultivation. The farm is owned and managed by Government much as an ordinary private property would be, but with the primary object of employing as much labor as possible while avoiding downright loss on the undertaking. The wages paid are lower than the current rate—they vary from £1 1s. to £1 13s. a week according to capacity—but cheap house-rent and other advantages make up the difference and there are always applicants for places on the farm. The married laborers are allowed to stay there during good behavior, and are encouraged to make the surroundings of their cottages cheerful and comfortable. Single men have work given them for a certain time only, to enable them to tide over a spell of hard times and gather health and confidence. One of the brightest features of the farm is the school, where some fifty pleasant and happy-looking children saved from the physical and moral grime of city poverty are being as well taught as the richest youngsters in the land.

Land monopoly shows another face in a half-empty colony to that which we know so well here. In Europe the great landowner, splendid pauper or otherwise, seldom, except in Scotland, lords it over unpeopled wastes. In Australasia a great estate is too often synonymous with a great wilderness. Men, women, and children are shut out of vast tracts which remain sacred to that useful but not very noble animal, the sheep. Admitting that grazing, even in a Colony enjoying a regular rainfall, has to be done on a fairly large scale if it is to be made to pay, it is nevertheless unendurable that millions of acres, much thereof fit for the plough and the spade, should be kept locked up and shut in the face of pent-up, pressing humanity. In New Zealand this evil has not swollen to the gigantic size in which it may be seen in Australia, and it is cheering to think that it never will. Still, an official return showed, seven years ago, that even in New Zealand the largest class of estates covered eight million acres. Land monopoly, thus extensive, is being fought in three ways. Prevention is aimed at by laws restricting and controlling the sale and purchase of the Crown lands: cure is sought by means of a graduated land-tax and a compulsory repurchase Act. The last remedy has at present done more for sub-division than the second. But that may fairly be set down to a special and temporary cause which has for some years checked the sale of land all over Australasia. Moreover, if the graduated land-tax never "burst up" a single estate, it would continue to do what it does now, namely, relieve the working farmer of an unfair burden of taxation, and make the great freeholders pay their due share. Under it, the peasant pays nothing, for not only are all stock and "improvements" free, but the prairie value—the sole object of taxation—is only levied upon when it amounts to £500. On all above that, one penny in the pound of capital value is charged yearly, but the mortgagee, not the mortgaged owner, pays on as much of the land's value as is

represented by a mortgage. Above £5,000 worth of land value, the graduation begins. An extra eighth of a penny is charged on the first stage, and the tax mounts by eighths of a penny until estates, the land of which is worth £210,000, soon pay at the rate of threepence. The mortgagee pays nothing above the penny. The mortgagor pays all graduations, as large mortgaged properties are not thought desirable. Such is the New Zealand land-tax. That of New South Wales is not graduated; that raised in South Australia is much lighter; the Victorian land-tax is of another character altogether.

Real property in New Zealand is exempt from the income-tax. This also is graduated. Incomes up to £300 are free; from £300 to £1,300 the tax is 6d. in the £; above that 1s. Companies pay 1s. without any exemption. The amount of the exemption under both land and income-taxes is explained by heavy indirect taxation paid in customs duties. It is in that way that the poor contribute their share towards the revenue.

The compulsory repurchase of private estates for subdivision and settlement is authorized in an Act passed in 1894 after much hard fighting in several sessions. The compulsory part of the Act is of course only to be used as a last resort, and as a matter of fact has only been made use of once. Voluntary sale to the State by the landowner is the history of most of the repurchase. Much the largest private estate which the Government has cut up and settled was flung at the head of the Treasurer by the owners thereof, who objected to their assessment for the land-tax, and who under the land-tax law had a right to compel the Government to buy their property. On this property, named Cheviot, 84,000 acres in extent, was soon placed a thriving State tenantry, numbering with their families 800 to 900 souls, and owning within a year of their settlement 74,000 sheep, 1,500 cattle, and 500 horses. Beyond this, a number of properties amounting in all to an area about equal to Cheviot, have been successfully divided and peopled. No loss in money to the Treasurer seems at all to be feared. The first outlay is, of course, heavy. It has come to some £700,000, including the cost of the Cheviot property.

The excitement and disruption of parties caused by the Silver Question in the United States, may bring home to Englishmen some faint notion of the intensity of the feeling of discontent now stirring the minds of farmers and producers in many parts of the world on the relation of gold to the produce of their labor. In the Colonies this feeling takes the form, not so much of a demand for another medium of exchange as of an outcry for "cheap money," *i.e.*, reduced rates of interest. Two years ago the New Zealand Government undertook to provide cheap capital. Authority was obtained by Act, and a sum of one million and a half borrowed in London at a rate of about $3\frac{1}{2}$ per cent. This is now being lent out by a State Board. Loans may be made on mortgage to the extent of three-fifths of the value of freehold and one-half that of leasehold. Only agricultural and pastoral land may be taken as security. The borrower has to pay 5 per cent. interest, and must also repay not less than one

per cent. of his loan annually in half-yearly payments. About three-quarters of a million of money has been lent in this way, and its aid in bringing down the rate of interest in New Zealand is unquestionable. Those who have travelled in newly settled countries, and who know the cruel hardship and disappointment, ending only too often in ruin and eviction, endured by mortgaged settlers in such lands, must agree that such a system, if administered honestly and wisely, must do something to reduce the sum of human misery.

Social reform received a great impetus in most of the Colonies in 1889 and 1890. The Labor movement which followed the dockers' strike, and the world-wave of Socialistic yearning for a better civilization, caused something like a constitutional uprising in Queensland, New South Wales, New Zealand, Victoria and South Australia. In Queensland and New South Wales strong Independent Labor parties were formed, and gained many seats in Parliament, but have not controlled any Parliament nor secured the passing of much effectual reform, unless the Reid land-tax is to be accounted such. In Victoria financial disasters have impeded reform, but the small band of Labor members has shown shrewdness and moderation in and out of Parliament, has eschewed irritating tactics, has secured the passing of an excellent Factory Act, and may be expected to exercise increasing influence. In South Australia an able Socialistic Ministry, working with a friendly but separate Labor section, has made and is still making great progress. But it is in New Zealand that the most abundant harvest has been reaped, just as, curiously, it is there that the fusion between Labor and Socialistic Liberalism has been the most complete.

In New Zealand, for the last six years, the Trade Unions have been active political forces. Stepping to the front they have made good their claim to speak for the whole body of workers. They have devoted their efforts to securing (1) measures dealing specially with employers and employed; (2) other progressive measures, and more particularly land reform; (3) the election of workmen as members of parliament; (4) the election of progressist members, not workmen, but trusted by the working classes. In all these directions the Unions have made their influence felt as much by tact and moderation as by energy. In only a few districts have they attempted or succeeded in returning working-men to Parliament. Half-a-dozen mechanics in the Lower House, and four (nominated) in the Upper, comprehend the whole actual direct representation of Labor there. But the number of Liberals pledged to carry out the Progressive programme is large. These receive at election-time the support of the Unions, and vote in Parliament much as Labor members would have voted. It is by accepting such men as their candidates, and by interesting themselves in a broad-minded spirit in Land and Fiscal Reform and other social questions, that the Unions obtained the position they have for some years held in New Zealand politics. Their task is not too easy. Though the buying power of the Conservative party is relatively much less than in England, its terrorizing power is strong enough to affect not workmen alone. Very few middle-class men of ability, education and character dare to come forward in New

Zealand and identify themselves openly with the Socialistic party. Loss of professional prospects, even something like social ostracism, would follow. Men therefore of this kind are rarely found in the front rank of the party, and this is a serious misfortune. The powerful, enthusiastic, and very overbearing Prohibition Party of New Zealand, which seeks to absorb the Labor vote and the Liberal Party, has also added greatly to the difficulties of the Unions. Despite, however, the civil war thus caused in the Progressive ranks, the work of the Party has gone on, more slowly perhaps than it would had union prevailed, but still steadily. The solid results of the Liberal-Labor alliance in New Zealand have been an object-lesson for Australia, and have unquestionably led the Labor Parties there to modify the "balance of power" tactics to which they trusted in the first flush of their political youth.

In and since 1891, two Parliaments of New Zealand have not only reformed the laws dealing with public lands, and begun the repurchase of land for settlement, have not only transformed direct taxation and made it progressive, have not only preserved and improved the public education, made trial of a "cheap money" scheme, struck a heavy blow at contracting and sub-contracting, and established a State farm, but have done much more. The franchise has been given to women, and to the principle of one adult one vote has been added that of one voter one roll. Nominations to the Upper House are now made for seven years, instead of for life as formerly. The law dealing with crimes and offences, great and small, has been codified in two clear, comprehensive Acts. By the Licensing Act of 1895 the principle of local option has been carried to a remarkable length. The right to decide as to the granting of liquor licenses in a district is now held by all residents there over twenty-one years of age, female as well as male. A local option vote is taken every three years. Every voter may vote both for reduction and for total and immediate prohibition. If there be a majority of one for reduction the Licensing Committee for the district must close from ten to twenty-five per cent. of the licensed houses therein. If three-fifths of those voting (that is, ten per cent. more than one-half) declare for total prohibition, then all the houses are closed forthwith. No compensation is granted in any case. On the other hand, no fresh licenses can be granted unless there be some rapid and extraordinary increase of population. Drastic and far-reaching as this law is, the Prohibitionist leaders are so far from being satisfied with it, that some of them at least, are threatening to use their powerful "block vote" against every candidate for Parliament who will not go further and allow a majority of one vote to bring about instant prohibition in any local option district.

By no means least amongst the works of the last five years come the much talked-of labor laws, regulating the relations of employer with employed, and in some cases those of seller with buyer. Some twenty of these enactments appear on the New Zealand statute-book, of which fifteen are recent. Most of them differ in degree rather than kind from various laws which the student may find in force elsewhere, some in one country, some in another. But nowhere else

do we meet the same number as in New Zealand, nor the same business-like and thorough-going spirit. As in other social reforms so here we perceive a real and earnest determination to frame laws which shall do more than make a pretty display at a session's end, or win cheers when made the subject of polished platform perorations. The New Zealand Factories Act, for instance, applies to all workshops—the smallest as well as the largest—and contains a clause by which clothing made by home-workers has to be ticketed. It raises the factory age to fourteen, scorns such compromises as half-time, insists on a school-certificate for workers under fifteen, and a physical-fitness certificate for those under sixteen, limits the work-hours of males under eighteen and of all females to forty-eight a week, makes 6d. an hour the minimum overtime wage, and requires a weekly half-holiday to be given without deduction from wages. The New Zealand Shops Act shuts up the shops, with very few exceptions, in towns and suburbs from one o'clock p.m. once a week, limits the hours of serving, and contains carefully-drawn clauses with regard to the provision of seats for shop-girls. An Act of four clauses was all that was thought necessary to sweep away the bad old statutes and doctrines relating to conspiracy amongst Trade Unionists. A Truck Act and an Employers' Liability Act are on the list; the latter neither permits contracting-out nor allows an employer to escape liability by means of sub-contracts. A provision in the Truck Act relating to insurance payments is, however, open to abuse. Two Acts (1894 and 1895) relating to shipping and seamen embody reforms which must surely gladden the heart of Samuel Plimsoll. Not only do they safeguard passengers' lives and merchants' goods, but they are not above stipulating for decent quarters, punctual payment of wages, and milder punishments for that praised but not over-petted person, the merchant seaman. One of these Acts, moreover, insists that a proportion of each crew shall be skilled men. Two statutes endeavor to secure the wages of contractors' workmen, make them a first charge on all contract money, give workers employed on works of construction a lien thereon, and compel a contractor's employer to hold back at least one-fourth of the contract money for a month after the completion of a contract, unless he shall be satisfied that all workmen concerned have been paid in full. Most of these Acts are watched and administered by the State Department of Labor, under whose special control are also placed all private servants' registry offices, whose fees and methods the Labor Department is empowered to regulate. Labor in mines is protected by special statutes, and by an Act passed in 1891—far too late, by the way—mineral rights were reserved in all lands thereafter alienated by the Crown.

The statute of 1894, authorizing the daring experiment of permitting Trade Unions to become, by registration, corporate bodies, with power to sue and be sued, will be watched with deep interest. Under it all labor disputes in which unions are involved, may henceforth be referred, first to Public Conciliation Boards, and failing a settlement by these, to an Arbitration Court, composed of a Judge of the Supreme Court sitting with two assessors elected by

Labor Councils and capitalists respectively. This Court may, at its discretion, make its awards enforceable by legal process. In the hope of minimizing fees and expenses, any party to a reference may bar the employment of counsel. The Act has just begun to be made use of in New Zealand, but it is quite too soon to predict either its success or failure, or its effect on Trade Union organization.

From what has gone before, readers will readily understand that the New Zealand Government has usually in its employ several thousand laborers engaged in road-making, bridge-building, draining, and in erecting and repairing public buildings. To avoid the faults of both the ordinary contract and the day-wage system, the men are made to be their own contractors. The work is cut up into small sections, the workmen group themselves in little parties, each party is offered a section at a fair price estimated by the Government's engineers. Material, when wanted, is furnished by the Government, and the tax-payer thus escapes the frauds and adulteration of old contract days. The result of the system in practice is that where workmen are of, at any rate, average industry and capacity, they make good, sometimes excellent, wages. They are to a large extent their own masters, and work without being driven by the contractor's foreman. They are not encouraged to work more than eight hours a day, but as what they get depends on what they do, they do not dawdle during those hours, and if one man in a group should prove a loafer, his comrades, who have to suffer for his laziness, soon get rid of him. There seems every reason to believe that the system is as sound as it is popular.

From this brief sketch it will be seen that New Zealand is far on in the path of practical Socialism. The numerous and important achievements of the party of social reform there, especially those of the last five years, show what can be done by an alliance of middle-class progressives with organized workers, when the combination is led by politicians who have backbone and are honestly anxious to go forward. As an object-lesson to show the fruits of resolute men and determined tactics and methods, the example is of immense value, and may well be laid to heart here. All the world over social students are watching New Zealand. The Colony has now reached the stage when the State, without being in any way a monopolist, is a large and active competitor in many fields of industry. Where it does not compete it often regulates. This very competition must of course expose it to the most severe tests and trials. Further progress will chiefly depend on the measure of success with which it stands these, as well as on the discipline, tact, and power of cohesion shown by the Progressive Party.

FABIAN SOCIETY.—The Fabian Society consists of Socialists. A statement of its Rules; particulars of the conditions upon which members will lecture in London or the country; and the following publications can be obtained from the Secretary, at the Fabian Office, 276 Strand, London, W.C.

FABIAN ESSAYS IN SOCIALISM.

(35th Thousand.)

Library Edition, 6/-; or, direct from the Secretary for Cash, 4/6 (postage, 4½d.). Cheap Edition, Paper cover, 1/-; plain cloth, 2/-. At all booksellers, or post free from the Secretary for 1/- and 2/- respectively.

FABIAN TRACTS and LEAFLETS.

Tracts, each 16 to 32 pp., price 1d., or 9d. per doz., unless otherwise stated.

Leaflets, 4 pp. each, price 1d. for six copies, or 1s. per 100.

The Set of 61, post free 2/3. Bound in Buckram, post free for 3/9.

Boxes for set, 1s., post free 1s. 3d.

I.—On General Socialism in its various aspects.

TRACTS.—72. The Moral Aspects of Socialism. By SIDNEY BALL. 69. The Difficulties of Individualism. By SIDNEY WEBB. 51. Socialism: True and False. By SIDNEY WEBB. 45. The Impossibilities of Anarchism. By BERNARD SHAW (price 2d.). 42. Christian Socialism. By Rev. S. D. HEADLAM. 15. English Progress towards Social Democracy. By S. WEBB. 7. Capital and Land. A survey of the distribution of property among the classes in England. (5th edn.; revised 1896.) 5. Facts for Socialists. A similar survey of the distribution of income and the condition of the people. (7th edition; revised 1895.) LEAFLETS.—13. What Socialism Is. 1. Why are the Many Poor? 38. A Welsh Translation of No. 1. 12. Practicable Land Nationalization. (Revised 1894.)

II.—On Application of Socialism to Particular Problems.

TRACTS.—74. The State and its Functions in New Zealand. 73. The Case for State Pensions in Old Age. By GEORGE TURNER. 67. Women and the Factory Acts. By Mrs. SIDNEY WEBB. 50. Sweating: its Cause and Remedy. 55. The Workers' School Board Program. 52. State Education at Home and Abroad. By J. W. MARTIN. 54. The Humanizing of the Poor Law. By J. F. OAKESHOTT. 48. Eight Hours by Law. 23. The Case for an Eight Hours Bill. 47. The Unemployed. By JOHN BURNS, M.P. 39. A Democratic Budget. 14. The New Reform Bill. LEAFLETS.—22. The Truth about Leasehold Emfranchisement. 19. What the Farm Laborer Wants (Revised 1894). 16. A Plea for an Eight Hours Bill.

III.—On Local Governing Bodies: How to use them.

TRACTS.—62. Parish and District Councils. 61. The London County Council. 60. The London Vestries. LEAFLETS.—68. The Tenant's Sanitary Catechism. 63. Parish Council Cottages, and how to get them. 58. Allotments and how to get them.

FABIAN MUNICIPAL PROGRAM (Nos. 30 to 37).

1. The Unearned Increment. 2. London's Heritage in the City Guilds. 3. Municipalization of the Gas Supply. 4. Municipal Tramways. 5. London's Water Tribute. 6. Municipalization of the London Docks. 7. The Scandal of London's Markets. 8. A Labor Policy for Public Authorities. The 8 in a red cover for 1d. (9d. per doz.); separately 1/- per 100.

IV.—On Books.

29. What to Read. A List of Books for Social Reformers. Contains the best books and blue-books relating to Economics, Socialism, Labor Movements, Poverty, etc. 3rd edn.; revised 1896. Stiff cover, 6d. each; or 4/6 per doz.

V.—On Fabian Policy.

70. Report on Fabian Policy and Resolutions presented to the International Socialist Congress, 1896. 41. The Fabian Society. By BERNARD SHAW. 49. A Plan of Campaign for Labor. A detailed scheme for Independent Labor Representation. 2d., 1/6 doz.

VI.—Question Leaflets. (Each 4 pp., 6 for 1d., or 1s. per 100.)

These contain Questions for Candidates for the following bodies:—No. 20, Poor Law Guardians (Revised 1894). No. 21, London Vestries (Revised 1894). No. 24, Parliament. No. 25, School Boards (Revised 1894). No. 26, London County Council. No. 27, Town Councils. No. 28, County Councils, Rural (Revised 1895). No. 56, Parish Councils. No. 57, Rural District Councils. No. 59, Urban District Councils.

VII.—Fabian Election Leaflets. (2 pp., 6d. per 100; 5s. per 1000.)

No. 64, How to Lose and How to Win; No. 65, Trade Unionists and Politics; No. 66, A Program for Workers.

Manifesto of English Socialists. In red cover. 8 pp., 1d. each; or 9d. per doz.