Interaction of the liberal program and New Zealand conservatism as revealed in the "New Zealand Herald" 1890-93

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THE INTERACTION OF
THE LIBERAL PROGRAM AND NEW ZEALAND CONSERVATISM
AS REVEALED IN THE NEW ZEALAND HERALD, 1890-93

by

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B.A., Montana State University, 1950

Presented in partial fulfillment of the requirements
for the degree of Master of Arts

MONTANA STATE UNIVERSITY
1953

Approved by:

[Signatures]

[Date]
PREFACE

Research for this study of the interaction of the Liberal administration and the conservatism voiced by the New Zealand Herald was carried out in Auckland, New Zealand, where the writer studied in 1952 under a Fulbright grant. The terms of the grant's award stipulated a dual study project: research in a phase of New Zealand journalism and study of New Zealand history. The New Zealand Herald office granted the writer full use of the newspaper's file and archive room and extended the title of an "honorary staff member."

The choice of the subject of this study was the result of an effort to fit the two divisions of the grant into a single research project. The years 1890 through 1893 were selected because the advent of the Liberal party and the success of its program is an important dividing line in both political and press history. There has been no attempt within the limits of the study to carry out a detailed analysis of all phases of the New Zealand Herald's coverage of the first Liberal administration. The newspaper's editorials have been used to show the Herald's fundamental political views.

Although the research for this study was completed in New Zealand, it has been written for presentation at an
American university. Thus more space has been devoted to the background of the Liberal administration than would have been necessary had the entire study been completed and submitted in New Zealand. This has resulted in a reliance upon secondary materials for background parts of the study, and considerable use has been made of works by Reeves, Condiffe, and Lipson, and of Wilson's thesis on the history of the Liberal party.

The author is especially indebted to the American taxpayer who provided the basic finance for the United States government grant under which she studied and carried out research in New Zealand. She is deeply grateful to the management of the New Zealand Herald, who not only offered the files of the newspapers for research but also provided headquarters in downtown Auckland. Special thanks are due Dr. G. H. Scholefield of Wellington for the opportunity to read his manuscript on the history of New Zealand journalism and to Alan Mulgan, for his helpful suggestions at the beginning of the research project. To Dr. Robert T. Turner of Montana State University, the writer is indebted for general guidance, his critical reading of the manuscript and helpful advice, and to Dr. James L. C. Ford and Dr. Melvin C. Wren for their reading and criticism of the manuscript. The writer is grateful to Bo Brown, who critically read and retyped the manuscript.

M. H. B.
"The newspaper editor writes in the sand when the flood is coming in."

--Hugh Miller
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CHAPTER I

FROM SYSTEMATIC COLONIZATION TO A CHAOTIC ECONOMY

(I)

Broad chronological dividing lines in New Zealand's nineteenth century development were the years 1840, 1852, 1876 and 1890. The year 1840 marked the formal British annexation of the colony and beginnings of an immigration program termed systematic settlement. In 1852, the British parliament passed a New Zealand constitution act instituting in the recently annexed colony federalism and representative government. With federalism abolished in 1876, New Zealand became a unitary state and a conservative "Continuous ministry"1 dominated central politics. A Liberal party, product of a small farmer-urban worker alliance, defeated the Continuous ministry in 1890 and launched a legislative program involving land, labor, taxation, and franchise reforms, based less on theory and experimentation than upon reform needs of long-term development. To examine the

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1The Continuous ministry came into office in August, 1869, and expired in January, 1891. Though modified occasionally, the cabinet's membership was never completely changed. During twenty-one years, it was turned out of office for three brief periods, but none of the supplanting ministries commanded strong majorities or held thorough House control.
application of the Liberal measures to the New Zealand of 1890, it is necessary briefly to recapitulate events of the preceding half century.

Traders, missionaries, and settlers preceded the formal establishment of British sovereignty in New Zealand. Captain Cook claimed the land for Great Britain in 1769 but seventy-one years passed before conflicting pressures forced annexation. Britain hesitated to accept responsibility because of missionary influence on the Colonial office and a reluctance to undertake new colonial burdens. Missions, dispatched by Anglicans, Wesleyans, and Roman Catholics, were active in New Zealand after 1814. They saw in New Zealand's Maori population, numbering about 120,000, a field for the development of a "Christian civilization uncontaminated by European settlement." They believed that the only way to save the native was to protect him from all European contact except that of the missionary. The early arrival of traders on the New Zealand scene considerably lessened the opportunity for the missionaries to reach their goal:

2Horace Belshaw (ed.), New Zealand (Los Angeles, 1947), p. 79.

3Samuel Marsden established the first mission in December, 1814, at the Bay of Islands, northern center of trade, European crime, and Maori savagery.


5Belshaw, p. 78.
The Government was well satisfied to ignore New Zealand. The adventurous English spirits were not. The islands ceased to be inaccessible when Sydney became an English port, from which ships could with a fair wind make the Bay of Islands in eight or ten days. In the seas round New Zealand were found the whale and the fur-seal. The Maori might be cannibals, but they were eager to trade. In their forests grew trees capable of supplying first-class masts and spars. Strange weapons, ornaments, and cloaks were offered by the savages, as well as food and the dressed fiber of native flax. An axe worth ten shillings would buy three spars worth ten pounds in Sydney. A tenpenny nail would purchase a large fish. A musket and a little powder and lead were worth a ton of scraped flax. Moreover, a peculiar and profitable, if ghastly, trade sprang up in tattooed heads. A well-preserved specimen fetched as much as twenty pounds, and a man "with a good head on his shoulders" was consequently worth that sum to anyone who could kill him.6

The early traders came to a land lacking a European government or a central Maori authority. Each man had to make his own arrangements with individual native tribes. Even had traders been of a law-abiding nature, trouble doubtless would have been inevitable. In most cases, the white man with whom the primitive Maori dealt was a runaway sailor or an escaped convict or an unprincipled adventurer.7 Lawlessness among whites and conflict between the two races resulted in a modification of missionary attitude: British sovereign authority was considered the lesser of two evils and missionaries petitioned for annexation.

The possibility of a French colonizing scheme figured

7Ibid., p. 136.
in the decision of Great Britain to annex New Zealand. 8

More influential, however, than threat of foreign competition, the appeals of the missionaries, or native-white discord, was the work of Edward Gibbon Wakefield, 9 the theorist and promoter of the New Zealand company. During the 1830's, he developed and publicized a scheme of colonization aimed at transplanting an entire cross-section of English society to New Zealand. Believing concentrated settlement essential to civilized colonial life, Wakefield pictured free, self-governing communities where "capital and labour, education and religion were all to work together as in the mother-country, but amid easier, happier surroundings." 10 A high land price was the heart of Wakefield's method because he believed that chaos developed when land was cheap and easily

8 A French company was sent to New Zealand and arrived at Akaroa on South Island in August, 1840 a few months after British sovereignty was proclaimed. The single group remained and Akaroa became an outpost of French culture.

9 Edward Gibbon Wakefield (1796-1862) evolved his colonization schemes while serving a prison term for abducting a young heiress. He published The British Colonisation of New Zealand in 1837, incorporating his plans for systematic colonization. He was a member of Durham's staff in Canada in 1838 and returned to England to maintain New Zealand company headquarters. He fought the company's battles with the Colonial office, wrote for the Spectator, and completed his book, Art of Colonisation. He went to New Zealand in 1852 and was elected to the General Assembly. He pushed for immediate responsible government. He retired in 1855, living in Wellington until his death. See G. H. Scholefield, A Dictionary of New Zealand Biography (Wellington, 1940), II, 442-448. (Hereafter cited as DNZB)

10 Reeves, p. 137.
available. He cited "barbarous Daniel Boones" and pointed to the scarcity and high price of labor when settlements rapidly became broadly dispersed. Rather than encourage settlers to move into new areas of a colony, Wakefield would maintain a controlled frontier protected by a high land price.

Wakefield's "sufficient price" would have prevented laborers from acquiring land for several years, thus guaranteeing a ready labor force in the community—an attraction in itself for further investments of British capital. The mechanics of the system were based upon the British government's granting land to an organized company and the company's formation of a group of settlers containing all elements of a potential society. Land would be sold to those members able to buy with proceeds going to assist the transportation of laborers to the colony, and to open the country by roads and bridges.¹¹

Wakefield pressed for government backing. Failing that, he organized a joint-stock company and dispatched an agent to New Zealand to buy tracts of land. His first group of settlers arrived at Port Nicholson, the site of the present day capital city of Wellington on January 22, 1840.

Nine days later, Captain William Hobson arrived at the Bay of Islands, three hundred miles to the north, to negotiate with the Maoris. By the terms of the Treaty of Waitangi, tribal chiefs agreed to surrender the sovereignty of New Zealand to the British queen. In return, the Maoris were guaranteed possession of their lands and granted the rights and privileges of British subjects. The Crown was given pre-emption over any lands the Maoris wished to alienate.

(II)

The years between 1840 and 1852 were marked by a disagreement among settlers over the location of New Zealand's capital, initial Maori-European warfare, dissatisfaction with the government's land disposal methods, and the winning of responsible government.

Soon after proclaiming British sovereignty, Hobson established his capital at Auckland, then only a harbor village at the base of North Island's upper peninsula. The company's settlers had established themselves at Port Nicholson in the southern part of the island, and resented being governed from a distance, for sea travel was slow and there were no overland communications. Dissension over the location of the seat of government intensified a growing breach.

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William Hobson (1793-1842) was dispatched to New Zealand as consul to treat with the chiefs for cession of sovereignty. He then became lieutenant-governor, remaining in Auckland until his death in September, 1842.
between company officials and the colonial administration.\textsuperscript{13}

The basic problem of the period was land disposal. Under terms of the Waitangi treaty, Europeans were prohibited from purchasing any land directly from Maoris and existing claims were invalidated until investigated by a special claims commission. Land speculators, rushing in from Australia when annexation was apparent, had amassed vast claims by 1840; the company itself claimed 20,000,000 acres acquired through direct negotiation with the natives.\textsuperscript{14} Investigation proceeded slowly while settlers waited impatiently on the spot for their sections. Eventually the company was granted 1,250,000 acres, the right to purchase land from the Maoris in South Island, and opportunity to arrange for additional immigrants.\textsuperscript{15} The company's work continued for fifteen years and before it was dissolved, its scheme of settlement had been followed in three of New Zealand's four major centers, Wellington, Christchurch and Dunedin; and in smaller communities, New Plymouth, Wanganui, and Nelson.

Conflicts with the Maori over land arose from a company belief that the natives had rights only to the lands

\textsuperscript{13}The fight between Wellington and Auckland over the capital continued for two decades. Government headquarters were finally moved to Wellington in 1864 during the height of Maori warfare in the Auckland area. Wellington offered the most central location.

\textsuperscript{14}Reeves, \textit{The Long White Cloud}, p. 141.

\textsuperscript{15}Belshaw, p. 81.
they actually occupied. The Waitangi treaty was regarded by many as a "device to placate ignorant savages,"\(^{16}\) and the Crown was urged to claim all unoccupied land for sale to European settlers. Open fighting with the Maoris over company land claims broke out in the northern corner of South Island in 1843, and in the Bay of Islands district to the north the next year. Though fighting was brief and localized, these incidents were a prelude to the serious warfare of the sixties.

Demands for political self-government occupied the attention of settlers as much as land agitation in the economic sphere. For the first six years, the colony's government was vested in a governor, aided by subordinate executive and legislative councils, responsible only to the Crown. The company's leading settlers wanted self-government immediately, but the British government was skeptical of settlers' honoring the rights of the natives if left completely to their own devices. However, by 1846, Britain looked with favor on colonial self-government, and Lord Grey, when he became secretary of state for the colonies, was willing to give a responsible government to New Zealand.\(^{17}\) The colony then undertook the curious action of

\(^{16}\)Alan Mulgan, *From Track to Highway* (Wellington, 1944), p. 36.

\(^{17}\)Belshaw, p. 82.
delaying its own independence. Governor George Grey\textsuperscript{18} withheld the application of the 1846 constitution on the grounds that it would do an injustice to the Maoris by infringing upon their land rights and offering them no representation in parliament.\textsuperscript{19} Grey had come to the colony in 1845 after a distinguished record as governor of South Australia. He had put New Zealand affairs in good order: Righting finances, hastening settlement of land claims, establishing land courts, and working for inter-racial harmony. His action in delaying self-government roused opposition among the zealots for immediate independence, but his advice to the Colonial office during the next few years resulted in the success of the Constitution act of 1852.

The 1852 act provided for a general assembly consisting of a nominated Legislative council and an elected House of Representatives. Each of the six provinces established by the constitution was given an elected superintendent and council.\textsuperscript{20} The general assembly was given control over the superior courts, the postal system, coinage, the customs, and lands; other matters rested with the provinces. The

\textsuperscript{18}Sir George Grey (1812-1898) had a long and colorful career in New Zealand public life. He was governor from 1845 to 1853 and from 1861 to 1868; Auckland superintendent during the last years of the provinces, leader of the first Liberal ministry from 1877 to 1879, and member of parliament until 1894. See DNZB, I, 323-331.

\textsuperscript{19}Mulgan, p. 40.

provincial councils were called into being in 1853 before
the national legislature met and their "flying start" result-
ed in the stormy initial sessions of the assembly when the
provincialists made certain that their powers would be
broad. By the Compact of 1856, the provinces gained the
right to dispose of all waste lands within their borders,
subject only to the payment of 2s 6d an acre to the central
government. Two-thirds of the customs revenue was ear-
marked for provincial treasuries, thus further insuring that
central expenditures would be kept low:21

This transfer of virtual economic authority to the
provinces was to cause trouble in later years, but as Grey
argued, it had the immediate merit of giving wide scope to
local initiative at a time when democratic central govern-
ment would have been seriously handicapped, if only by the
deficiencies of transport.22

(III)

The ascendency of provincial councils over the
central government, a rising class of pastoralists, South
Island gold discoveries, and widespread Maori rebellion
highlighted New Zealand affairs in the decade and a half
after the institution of self-government.

War with the Maori was the major national issue of
the period. New Zealand historians have termed the conflict
inevitable:

21Simkin, p. 119.
22Ibid., p. 119.
Since Maori life was bound up with the land, and land was what the settlers wanted, the conflict naturally centered on land. But it would be superficial to interpret the differences between the two peoples merely in terms of land; they were fundamentally a struggle between two peoples whose interests conflicted because their ways of life were different. In the long run, given the conditions of the time, it was probably inevitable that the group armed with the more progressive economy should win and that New Zealand should become a predominantly European community, with Maori interests subordinated.  

Hostilities broke out in 1860, initially caused by a European violation of a Maori land league's pledge to sell no more land except by common consent. The war began in Taranaki province on the west coast of North Island and spread north and east. The main resistance was broken in the fertile Waikato area in central North Island by 1864 but fighting continued intermittently until 1871.  

By the end of the war, the Maoris were decisively broken, and were never again in a position to threaten European development. Neither were the natives able to delay settlement, since the Native Land act of 1862 had abolished the Crown's right of pre-emption and left the way open to free trade in Maori lands.  

With only a scattered Maori population, South Island

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23 Belshaw, p. 83.

24 Maori wars were characterized by isolated skirmishes. There were 160 principal engagements. European forces—British troops, local militia, Australian recruits and friendly Maoris—numbered 10,000. The Maoris never had more than 2,000 men in the field at the same time. British losses, including friendly Maoris, numbered 736 killed and 1,014 wounded. See Mulgan, pp. 56-63.

25 Simkin, p. 129.
escaped the burden of native warfare. Its immunity from Maori troubles alone would have insured progress, but when good wool prices, steady land sales, and a gold rush were added, South Island shot forward to high prosperity.

In his dream of concentrated settlement, Wakefield had failed to envision the pastoral activity which came to dominate the economy of New Zealand. Accessible South Island land with an open and rolling terrain and the desire of the revenue-minded provincialists to dispose of vast land tracts contributed to the concentration on sheep-raising. During the twenty years after 1858 the number of New Zealand sheep increased from a million and a half to over thirteen million. In the same period, the provinces had disposed of over eight million acres of the national estate.

Gold discoveries in Otago in 1861 followed by rich strikes in Westland in 1865 stimulated settlement and further contributed to South Island's economic supremacy. Otago's provincial population jumped from 12,000 to 79,000 in two years. Gold-seekers came mostly from Australia, and at the height of the period, Melbourne ships landed over a

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26 Unlike forested North Island, South Island was covered with natural grass and sparse bush in the plains areas. Grey had removed the single brake on the land's disposal—Wakefield's "sufficient price"—in 1853 when he reduced land prices from £2 to 10s an acre.


28 Mulgan, p. 50.
thousand immigrants daily. Production to feed the increased population expanded the agriculturists' internal market, and South Island provinces neighboring the areas of the gold strikes thus shared in the gold rush prosperity. Besides bringing in new settlers and creating a new industry, the boom hastened the establishment of secondary industry, boosted land purchases, and fostered general trade activity. The discrepancy of progress between New Zealand's two islands is described by Simkin:

In 1858, less than 40 percent of the population was settled in South Island; in 1871 the proportion had risen to 60 percent, and between these years population more than quadrupled. In the same period, the exports of the South rose by nearly 1,500 percent, those of the North by 900 percent. In 1871 the South had more land under crop than the North and four times as many sheep.

The unequal conditions of the provinces and resultant jealousies, the necessity for poorer provinces to rely upon loans from the central government, and the continued isolation of scattered districts paved the way for the program of Sir Julius Vogel. A Jewish journalist came to New Zealand

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29 Simkin, p. 132.

30 Ibid., p. 134.

31 Sir Julius Vogel (1835-1899) came to New Zealand in 1861 from Victoria where he had been active in business and journalism. He was instrumental in founding the Otago Daily Times and through its columns fought for the separation of North and South Island to relieve the latter from any financial responsibility in the Maori wars. He was elected to parliament in 1863 and remained an intermittent member until appointed treasurer in the Fox ministry of 1870. Vogel was premier from 1872 to 1876. He returned then to London for six years, reappearing in New Zealand in 1884 to head a
from Australia during the gold rush, Vogel became colonial treasurer in 1870 and subsequently premier. Although the individual provinces had borrowed heavily on the London market to finance colonizing work, the year 1870 marked the beginning of a national policy of borrowing and public works. The gold boom ended in 1871 and many looked to national borrowing as a substitute basis for good times. Vogel’s borrowing scheme was aimed at raising money to build railways, roads, and bridges; to erect telegraph communications; to open further lands to settlement, and to assist immigration. He believed that increased production would pay off the debts incurred, that “borrowed money would prime the pump, which would then lift abundant water.” Vogel’s policy was termed by William Pember Reeves “virtually the beginning of a coalition ministry with Robert Stout for three years. Vogel spent his final years in London. He remains a controversial figure in New Zealand history: Some credit his public works policy with the country’s rapid progress, others blame it for the bleak eighties. See DNZB, II, 419-426.

Before Vogel’s borrowing began in 1870, provinces and central government owed seven and a quarter millions.

Belshaw, p. 87.

William Pember Reeves (1857-1932) was born at Lyttelton six years after the first Canterbury settlement. His father, William Reeves, was manager of the Lyttelton Times and a respected Liberal parliamentarian. Reeves grew up in a center of political and liberal discussion, made a scholarly record in New Zealand and studied at Oxford before returning to the colony to join the staff of the Times, becoming editor in 1889. A series of his early articles were later published as An Introduction to the History of Communism and Socialism. He was elected to parliament in 1887 and entered Ballance’s ministry three years later as minister
of State socialism in New Zealand."

During the decade after 1870, £20,000,000 were borrowed, and the public debt was increased fourfold. Roads, railways, and telegraph lines were built and 100,000 state-aided immigrants were added to New Zealand's quarter-million population. Vogel foreshadowed the state activities of the nineties by establishing a system of state transfer of land, state life insurance, and a Public Trust office. High prices for wool and wheat abroad bolstered the "Vogelian boom" while land values rose, and with them, increased activity in land speculation. Men made fortunes by buying up available blocks of land, cutting them up, and re-selling at a profit. Pastoral tenants, equipped with ready cash, rushed to turn their leaseholds into freeholds. Provincial revenues rose, so over-shadowing the central government's income as to be a major factor in the death of the federal system;

The provincial land revenue, thus swollen, was a glittering temptation to politicians at Wellington. As early as 1875, it was clear that more colonial revenue would be wanted to pay the interest on the growing public debt.

of education and justice. Soon after he became New Zealand's first minister of labor. In 1896, Reeves was appointed Agent-General for the colony in London. He authored the labor laws of the Liberals and planned the conciliation and arbitration act. He remained in close touch with social reform movements in London and participated in Fabian society activity. Reeves became Director of the London School of Economics in 1908 and became a director of the National Bank of New Zealand in 1917. He devoted his later years to the chairmanship of the Anglo-Hellenic League. His principal works on New Zealand are The Long White Cloud, regarded as the best book written on the colony, and a two-volume study, State Experiments in Australia and New Zealand. See DNZB, II, 214-217.

35Reeves, The Long White Cloud, p. 237.
Vogel decided to appeal to the old Centralist party and overthrow the Provinces. Their hour was come. 36

At the outset of Vogel's public works program, provincial leaders refused his request for their turning over to the central government lands adjacent to the nationally-financed railroads. Vogel particularly wanted the land for re-sale to settlers, with proceeds to be set aside for repayment of British loans. By refusing Vogel's request, the provinces kept their land intact for five years longer, but in doing so, turned Vogel from a friend to an enemy of provincialism. Other factors figured in abolition of the provinces. During the 1870's, big landowners felt the challenge, for the first time, of the landless and small owners in provincial councils. They turned to centralization as an escape from local pressure, reasoning that the existence of electoral obstacles to the dominance of small landowners in parliament would mean their continued supremacy. A lower house majority would be certain until the franchise was extended and the nominated upper chamber had been packed with representatives of the big runholders for years. 37

Curious alliances were formed during the fight over abolition. Liberals joined conservative provincials anxious to safeguard local prosperity. Wellington residents overlooked political issues and favored centralization simply

36Ibid., p. 240.
because the seat of a powerful government would be within its provincial borders. Poorer provinces, anxious for a share in the nation's wealth, supported abolition. Auckland and Otago, situated at the northern and southern extremities of New Zealand, joined in defense of provincialism. By 1876, Auckland had recovered from the Maori wars, was enjoying a gold strike within her own boundaries, and saw little to gain from centralization. Otago had long been the most self-contained province, supporting the best schools and roads in New Zealand, and was reluctant to see her wealth thrown into a central treasury and divided among sister provinces. But with Vogel's leadership, the forces of centralism won. By an act of November 1, 1876, the provincial councils were abolished. A system of local government was established by the colony's subdivision into counties and the management of local affairs was turned over to a myriad of county and municipal boards. But the major functions of government—and sources of government revenue—were turned over to the national administration.

(IV)

Distance and further borrowing delayed the effects of the 1873 worldwide depression in New Zealand. Four years

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38 Otago established New Zealand's first university in 1869 at Dunedin.

39 Simpson, p. 20.
later, however, it hit a country burdened with debt but still under the illusion of an inflationary boom.

The New Zealand of the depression-ridden eighties was a nation examining its position. Party allegiances of the earlier provincial days had to be re-assessed when politics were suddenly transferred to the national level. Early alignments after abolition turned conservative landowners and centralists against provincialists and liberals, and there were some "independent voters" who bargained with both sides through the period.  

Gradually, however, new political forces emerged:

Before the great depression of the eighties there had been no well-defined political parties in New Zealand, though controversy over particular issues had not been lacking. It was out of the depression that emerged a more consistent and clear-cut division between those who had enjoyed the fruits of past development and had no idea of a new dispensation, and those who felt they could shape a better future by breaking down entrenched interests that were a barrier to opportunity—a division between the haves and the have-nots.

The barriers to land settlement posed the greatest problem. Grey had reduced land prices in 1853, hoping to encourage land settlement, but instead he played into the hands of monopolists, who purchased heavily during the

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40 Provincial feeling still dominated and public works remained a pork barrel to be divided. Cabinets were turned out by vacillating representatives whose districts had been neglected. See Lipson, p. 62.

41 Belshaw, p. 90.

42 Ibid., p. 90.
boom years. Meanwhile leaseholders had shrewdly bought selected areas, spotting them so that they controlled vast runs. These abuses in South Island were repeated in the north where private purchasers built up large estates after the Crown's right of pre-emption over Maori lands was waived in 1862.

The demand for available land for small holdings was increased by the first successful shipment of frozen mutton to England in 1882. Far-sighted New Zealand farmers anticipated that refrigeration would transform the colony's agriculture by making possible the export of dairy produce to England. Until the advent of trade in frozen goods, wool had been the chief export from New Zealand, and sheep-runners could justify the need for a land system of big holdings. But the day of the small farmer was dawning and when it was evident that a man could make a good living by owning a small area devoted to a dairy herd, the hunger for land was intensified.

Vogel's immigration program brought mostly town dwellers who expected employment in urban industries. During the boom period, there had been a sharp increase in small industries using locally produced materials: woods, wool, hemp, flax, leather, and foods. Only in an infant stage, they were hard hit by the depression and the resultant

43 Belshaw, p. 91.
unemployment contributed to the demands for land.

Conservatives commanded parliament during most the 1876-1890 period. Only for two short intervals did the Liberals hold power—under Grey from 1877 to 1879, and under Vogel and Sir Robert Stout from 1884 to 1887.

Provincialists and Liberals rallied around Sir George Grey in 1877. The former colonial governor had returned from retirement in Auckland to fight against the abolition of the provinces he had been instrumental in establishing. He campaigned for parliament in 1876 on a platform of "New Radicalism"—advocating triennial terms for the House of Representatives, the end of plural voting, a tax on land, leasehold tenure for all lands separated from government ownership, and the limitation of the amount of land one man could acquire. The Continuous ministry met the house in 1877 with little positive policy to counteract the descending

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44 Sir Robert Stout (1844–1930) emigrated to New Zealand from the Shetland Islands in 1864. He taught in Dunedin, studied law, and was admitted to the bar in 1871, afterward practicing law and lecturing at Otago university. Stout was a member of the Otago Provincial council from 1872 to 1875 and entered Parliament as an advanced liberal in 1876. After serving in Grey’s ministry, he withdrew from parliament until 1884 when he returned to head the Stout-Vogel government. He was out of politics for six years after his defeat in 1887. He was regarded the natural successor to the Liberal party leadership after Ballance's death but was not a member of the house in 1893 when Seddon succeeded to the premiership. Stout returned to parliament in 1894, remaining a member until his appointment to the Chief Justiceship in 1898. He held that position for twenty-seven years, retiring in 1927. A devoted Liberal, Stout was instrumental in the fight for land, labor, and social reforms. See DNZB, II, 339-342.

45 Reeves, The Long White Cloud, p. 248.
depression and Grey's party profited from the general discontent throughout New Zealand. Its rise to power has been described as "an act of rejection of an unpopular Ministry, not one of support for an alternative body of men." In office for two years, the first Liberal government's principal accomplishments were the establishment of an ungraded tax on land, organization of a national system of education, the addition of a residential qualification for voting, and the reduction of the parliamentary term of office from five to three years. Meager support and dissension within his cabinet kept Grey from successfully carrying his entire program. Wilson holds that he was before his time—that 1877 was too close to the boom for any united feeling of unrest:

The extent of Grey's failure is a measure of the impossibility at that time of the task he had undertaken. At times he seemed to be succeeding in building up a radical movement.... Throughout New Zealand there seemed to be bodies of people responsive to his attacks on squatters and governing cliques, and desirous of Government more directly representative of the mass of people. What was lacking,


47 Repealed when the Continuous ministry returned to power.

48 Trevor Wilson, now an instructor in political science at Christchurch University college, studied the rise of the Liberal party for his Master's thesis at Auckland University college in 1951. His work is regarded a reliable source for the pre-1890 history of the Liberal movement. Current plans call for its inclusion in a projected history of the party to be compiled from studies of the main periods, 1877-1890; 1890-1912, and 1928-1935.
however, was widespread unrest and discontent on which to base a permanent movement.... Grey had appeared too early on the scene to find unrest on which to found a lasting movement of reform. The liberal movement which he attempted to create failed, in this view, not because of Grey but in spite of him.49

The Conservatives were returned to office in 1879, governing until 1884 under three different premiers—Sir John Hall, Sir Frederick Whitaker, and Sir Harry Atkinson. Faced with depression and unemployment, these men relied on retrenchment, heavily slashing civil service staffs and salaries. The Liberals edged back into office in 1884, aided by votes of South Island Conservatives, disappointed with the Continuous ministry's failure to build additional railways.50 Vogel had returned to the colony from London and joined Stout in a coalition ministry which maintained an uncertain existence for three years. Parliamentary alignments were still loosely drawn and only by constant bargaining could a ministry retain support. Though nominally a liberal ministry, the Stout-Vogel alliance was essentially Conservative in its work. Vogel owed his support to southern provinces who based their loyalty on the hope for public works for their districts and the former champion of New Zealand borrowing was able to raise further loans in London in a futile gesture toward "positive conservatism." Thus there was little attempt under the Stout-Vogel government to

49 Wilson, p. 34.
50 Ibid., p. 66.
solve basic economic difficulties.

In the face of a continued slump, Conservatives campaigned in 1887 with the slogans, "Retrenchment" and "No More Vogelism and Extravagance." They were returned to office by a substantial majority, but split their party with dissension over a high protective tariff passed in 1888 to answer the increasing demands of New Zealand manufacturers and to bolster the dwindling public revenue. Meantime, the Liberals were perfecting party organization in preparation for the general elections of 1890, encouraged by growing support:

Throughout the country the situation grew daily more encouraging for their political prospects. The working man and the middle class in the towns, as well as the landless and the small farmers, were all uniting in protest against the plutocracy which dominated both economics and politics. ... With the breakdown of the old Conservative oligarchy, and the emergence of a powerful Liberal party, the country was ready for the commencement of a new era in its political history.51

The clearcut party divisions that emerged at the end of the 1876-1890 transitional period had not been anticipated by either Conservatives or Liberals. The former had imagined that centralization would offer protection from the "democratic note growing louder in some of the provinces,"52 while the Liberals had been reluctant to shift their activity to the national level, believing their cause had little

51 Lipson, p. 72.

chance for success beyond local areas. By sweeping the provinces away, the Conservatives had hoped to sweep away the Liberal movements within the provinces, but instead, the centralization of land sales and political activity bred the centralization of the scattered Liberal forces.53

Urban workers, small farmers, and the landless formed the backbone of the Liberal forces in 1890. The Conservative party was the political expression of land and business interests. To it, also, was allied the press of New Zealand, which reacted with the voice of a conservative critic throughout the long period of Liberal ascendancy after 1890. The views and the counterattacks of the press were shaped by the work of the Liberals. Long a leader in New Zealand journalism, the New Zealand Herald of Auckland typified press opponents encountered by the Liberals. To study its record in relation to the administration of 1890-1893 is to view the interaction of the Liberal program and New Zealand conservatism.

(V)

The New Zealand press of 1890 was a product of a colorful history. A veteran journalist explains its early beginnings by asserting that "an Englishman starts a newspaper almost as soon as he sets up a pub."54 Wakefield's

53Lipson, pp. 57-58.
54Malgan, p. 35.
"model society" included the journalist as well as the laborer and land owner. First of the line of New Zealand newspaper proprietors was Samuel Revan, a stormy advocate of self-government who joined the New Zealand company's earliest emigrant group. Revan's enterprise provided a fitting preface to a vigorous press. He printed the first issue of the New Zealand Gazette while his outbound ship was still docked in London, fought a duel enroute with a fellow passenger over a difference in estimations of the Scottish sheep dog, and had his press running two weeks after landing at Port Nicholson, a month before British sovereignty was proclaimed.\(^5^5\)

Press and government were soon at war. Colonial officials in the north objected to any kind of newspaper criticism and applied stringent regulations borrowed from the New South Wales sedition law to quiet successive newspapers of short-lived duration. The mortality among early newspapers was high; they appeared and disappeared after only a few weeks' life.\(^5^6\) Scholefield\(^5^6\) describes events in Auckland:

> When the centre of gravity shifted to Auckland the


atmosphere for infant papers was...stormy. Within 12 months four papers were started in the new capital. The first... had three government officials on the board. Within nine months challenges to duels were flying around. Two of the finest citizens were targets; and one editor was challenged for refusing to print five cantos of a local poet's work.... Above all the dust and storm of battle the gallant figure of Henry Falswasser stands out conspicuously. When the Government disciplined his paper by refusing him the use of the government press, he scavenged Auckland for type, went to press short of capital C's and small k's and printed off the issue on a domestic mangle.... In a duel with a naval lieutenant he shot a button off the officer's uniform and received a bullet through his own coat tails. Is it any wonder a robust press emerged from such a stormy infancy?

Newspaper development centered in Auckland and Wellington during the first decade after New Zealand's colonization. By 1850, there were six newspapers in the country for a white population of 26,707. Auckland had two journals remaining out of nine attempted; Wellington two out of five. Nelson and Otago each supported a single journal. This high casualty rate continued for many years although newspapers were established in all of the provincial capitals by 1855. The development of country newspapers

57 Dr. G. H. Scholefield, a former New Zealand journalist, was head of the General Assembly library for many years. An historian of repute, his chief works are a biography of Captain Hobson, the two-volume Dictionary of New Zealand Biography, published in 1940, Notable New Zealand Statesmen and New Zealand. He is also author of many articles on New Zealand press history and has prepared a manuscript on the history of the nation's newspapers which is cited in this thesis. Retired and living in Wellington, Scholefield edits the yearly New Zealand Who's Who.

lagged until the gold boom, when each gold strike meant a new township and a new paper. 59

Bolstered by the gold rush and the growth of population, new press foundations reached their peak in the years between 1860 and 1879. There was an average of nine new papers formed each year, but almost half that number disappeared annually. 60 Boom town journals died when the gold ran out, and elsewhere press failures were credited to the lack of support—"too many competitors striving for a few crusts." 61

Newspaper consolidation was the major trend in urban journalism during the period between 1876 and 1890, largely as a result of the depression's effect upon weaker journals. Telegraph and cable services established after 1876 meant an increase in production costs and further reduced the number of New Zealand newspapers. By 1890, out of eighty-four newspapers established in the four large cities the previous half-century, only twenty-one survived. 62 Competition for advertising and circulation had reduced the daily field to a single morning and evening paper in all the major centers


60 Ibid., p. 12.


62 Ibid., p. 44.
except Christchurch. New Zealand's sole newspaper historian writes that by 1890 the press had developed "a strong backbone of conservatism which expressed itself in a faithful loyalty to the more commendable tradition of the English press...its politics on the whole were conservative."

The opposition of the press was regarded seriously by the Liberals. A passage from a history of their movement describes the relations between press and party after the 1890 election:

Arrayed against it (Liberal party) were the talent and experience of the party that had held power almost continuously since the beginning of responsible government. Against it, also, it had the leading newspapers of the colony, with two exceptions, and the unreasoning prejudice of a large section of the community, which did not realise the change and the revolution of thought that had been brought about.

Members of the Liberal ministry which was formed in 1891 were directly associated with the two friendly newspapers. The Wanganui Herald was Premier John Ballance's own enterprise. William Pember Reeves, the minister of labor, was editor and part-owner of the Christchurch Press. Because they lacked support in either Auckland or the capital, the Liberals purchased the New Zealand Times of Wellington in

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63 Here the Lyttelton Times (Reeves' paper) and the Press each published a morning and evening edition to keep out possible intruders. A third paper was successful in 1914.

64 Scholefield, "Newspapers in New Zealand," p. 48.

in 1892. Reeves and Ballance served on the directorate, as did several trade union representatives. The Times supported the Liberal cause for many years, but it declined in the face of competition from the Dominion, established in 1907. The Dominion won the circulation battle and bought out the Liberal journal in 1927. Two comments on the failure of the Times strike a similar note:

The New Zealand Times was a striking example of the difficulty of successfully subordinating the business and journalistic sides of a newspaper to party politics. It can be said that the strongest competitor of the New Zealand Times was the Times itself. The Times was served by able men, but it was common knowledge among journalists that there was too much interference by directors and politicians and not enough strong and steady guidance. The butcher-baker-candlestick-maker method of running a newspaper is liable to be disastrous.

The conservative press escaped direct political control. If it raised a unanimous voice, the expression arose from the unanimity of opinion among independent publishers. Individual ownership and the absence of chain groupings formed part of the character of the press of the 1890's. There had long been considerable interaction between press and government. Early day conflict, repeated examples of

67Ibid., p. 259.
68Scholefield, "Newspapers in New Zealand," p. 68.
69Mulgan, The City of the Strait, loc. cit.
men rising to parliament from press ranks, and frequent reference to the opinions of newspapermen on the floors of parliament were all part of the interaction.

In 1891, a British editor-author, David C. Murray, visited Australia and New Zealand. He joined other observers in acclaining press standards. The New Zealand Herald was quick to reprint his praise. In an editorial of agreement, it detailed the position of the nation's press:

In these colonies the newspaper was the sole means by which inter-communication was maintained.... The Press had to assume functions not imposed upon it at home. Newspapers have been the sole literary medium in existence. Every form of mental action was bound to go into a newspaper if it were to be made known at all... the rise of these colonies in wealth and power was coincident with a vast popular expansion of education, so that almost every man could read his newspaper and was disposed to do so. The franchise was broad, and in consequence every colonist took an interest in politics, for which the press was the sole medium.... Many men of great enthusiasm emigrated to the colony and cherished high ideals of what the press they were founding would become. They gravitated to the press, and had a powerful effect in giving its direction and tone. The principal colonial newspapers have taken as models the best journals of England, and while they have not neglected the lesson to be derived from the United States they are English in their management and main features.

(VI)

The New Zealand Herald was a product of an editorial

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70Newspapermen who became premiers included Vogel, Ballance, Sir William Fox, Daniel Pollen, and James Edward FitzGerald. Other renowned parliamentarians coming from press backgrounds were Reeves, Sir Walter Carnacross, and Sir William Steward. In the 1890 legislature, the number of journalists was second only to farmers.

71New Zealand Herald, August 4, 1891, p. 4. (Hereafter cited as NZH)
disagreement over the conduct of the Maori wars. William Chisholm Wilson had entered a partnership with John Williamson in 1848 to publish the New Zealander, but their political views differed: Williamson was a consistent liberal; Wilson, a conservative. A major rift developed between the two as the Maori war spread through North Island after 1860. Wilson was opposed to Williamson's conciliatory policy and left the partnership to establish the New Zealand Herald on November 13, 1863. He immediately campaigned for an undisputed conclusion of the war so that the north could be opened to settlement. This was the war policy that the public favored and the Herald's success was assured. Williamson's paper declined and he ceased publication permanently after fire destroyed the New Zealander's plant in 1866, leaving only the Herald and the Southern Cross in competition for Auckland's daily circulation. Begun in 1843, the Southern Cross was the first Auckland newspaper to survive for more than a short period. Vogel had acquired control of the Southern Cross in 1868, transferring its management to the Daily Southern Cross and Weekly News Company Ltd. The competition of the Herald was instrumental in the company's loss

73DNZB, II, 518.
74NZH, November 13, 1923, p. 8.
75Ibid., p. 8.
of 68,075 in the five years after 1873 and the paper was sold in 1876 to Alfred George Horton. 76

The Herald's founder died in 1876 and control of the paper was handed down to his sons, William Scott and Joseph Liston Wilson. They discussed amalgamation with Horton, and the Southern Cross was purchased by the Herald on January 1, 1877. 77 Since that time, the Herald has been the only morning newspaper published in Auckland while the evening field has remained under the control of the Auckland Star, established in 1870. 78 After 1870, the Herald led press circulation in New Zealand. Pioneering in the installation of new equipment during the eighties, it brought the first rotary press to the country, and promoted the extension of telegraph and cable facilities. As it expanded its news services, the Herald built the country's leading commercial printing establishment.

To its daily publication, the Herald added the Auckland Weekly News 79 which recapitulated the week's news and editorials for circulation throughout New Zealand. Its position has been characterized by Scholefield:


77NZH, November 13, 1933, p. 4.


79The Weekly News was first published in 1868 from the Southern Cross office. The Herald had its own weekly, but the two were joined after the amalgamation of the two papers.
When roads were indifferent and mails infrequent, country settlers found it inconvenient to read daily papers which arrived perhaps seven at a time. To meet this need the city dailies published weekly editions containing the best of the week's news...the only survivor is the Auckland Weekly News which met new conditions of the twentieth century by adopting new features of a magazine nature.80

During the nineties, Grey remarked in parliament that "northern settlers take their religion from the Bible and their politics from the Weekly News, these being their principal sources of information."81 The Herald reported colonial events to London in a special monthly supplement, "Our Letter Home." Both these weekly and monthly editions gave the newspaper's editorialists a chance to repeat central themes in publications keyed to specific audiences.

"One of the most striking examples in New Zealand journalism of a newspaper founded as a business rather than a political organ" is Scholefield's characterization of the New Zealand Herald.82 Ever since the merger with the Southern Cross, the newspaper's ownership has remained in the Wilson and Horton families. Members of the two families have long been associated with other New Zealand businesses. In the period under study, William Scott Wilson was a director of the Bank of New Zealand, the Northern Shipping company, the Accident Assurance company, the Northern Boot company, the Riverhead Paper company, and chairman of the

81 NZH, November 13, 1933, p. 8.
New Zealand Insurance company.\(^{83}\) Horton was a director of the Bank of New Zealand Estates company, the New Zealand Insurance company, and chairman of the New Zealand branch of the Mutual Life Association of Australasia.\(^{84}\)

In its first issue in 1863, the Herald claimed for itself "the glorious privilege of independence."\(^{85}\) Measures, not men were to be its guiding maxim:

Be they in power who may, if the welfare and prosperity of New Zealand be their aim, the aim of the New Zealand Herald will be to tender them a fair and manly measure of support.\(^{86}\)

The Herald's editorial interest turned closer to Auckland in subsequent years. Surveying its own history in 1913, the Herald noted it had "striven for the development and progress of the North for fifty years, knowing that to be in the best interests of the colony and the Empire."\(^{87}\) Ten years later, again in anniversary retrospect, the Herald remembered its crusades: It had supported the extension of the service of transportation and communication; it had fought for the increase of small landholders, believing that to be the way to the country's highest prosperity; it had championed both the small rural freeholder and the promoter

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\(^{83}\) DNZB, II, 525.
\(^{84}\) DNZB, I, 415.
\(^{85}\) NZH, November 13, 1863, p. 4.
\(^{86}\) Ibid., p. 4.
\(^{87}\) NZH, November 13, 1913, p. 6.
of secondary industry, and it had ever maintained faith in the potentialities of Auckland soils for productivity."\(^8^8\)

The \textit{Herald} had been opposed to the abolition of the provinces in 1876, maintaining that a central government would have little sympathy with Auckland's needs. In the fight it entered a curious alliance described by Wilson as "the representative of the commercial and business sections of Auckland joining forces with Grey's liberals."\(^8^9\) The \textit{Herald} had opposed abolition because it seemed inimical to the interests of Auckland; the Liberals, because they considered it a move toward strengthening the power of the Conservatives. There were to be subsequent alliances between the \textit{Herald} and the Liberals when Auckland's interests were at stake. Since Auckland's interests were governed by the nature of its geography, i.e., its suitability for small settlements, northern and southern conservatives often disagreed.

During the 1890-1893 period, the \textit{Herald} was to be forced into an examination and evaluation of Liberal measures which extended beyond the scope of provincial interests. The newspaper acknowledged a new era in politics soon after parliament convened in June, 1891:

\begin{quote}
In former sessions the whole interest of parties centered around the question of public works. The most
\end{quote}

\(^8^8\)\textit{NZH}, November 13, 1923, p. 10.
\(^8^9\)Wilson, p. 6.
potent political levers were railways, bridges, or harbour workers. Public Works were the means by which votes could be purchased. All this is now changed. In former sessions, no man's vote was sure unless he was satisfied that his district had been properly attended to. There are many men now in the House who would laugh in the face of anyone who would speak of a railway as an inducement for a vote. There are men who would not give up the objects they have before them if you covered their districts with railways.90

The men "with objects before them" were Liberals with strong convictions about needs for land reform, labor legislation, removal of the property tax, and the extension of the franchise. The Herald was to examine the measures born of these convictions from the position of "business and commercial Auckland." In its examination it was to evidence a distinct brand of New Zealand conservatism.

The New Zealand of 1890 bore little resemblance to Edward Gibbon Wakefield's "Systematically settled" colony. Rather than a landscape dotted with small cultivated farms clustered about a central community, New Zealand's physical appearance was marked with vast tracts of pastoral holdings which supported relatively few people. The towns might have approached a more exact replica of English communities than Wakefield wished, for by 1890, the industrial problems of the mother country had been transplanted to New Zealand—unemployment, "sweating," and the unanswered demands of trade unions. Land acquisition in the hands of a few and the problems of a young industry hampered by depression, had

90NZH, July 10, 1891, p. 4.
distorted Wakefield's dream for New Zealand. Fourteen years after the centralization of the colony's government, a Liberal party had emerged to challenge the continued dominance of the landowners. The political victory of the Liberals at the end of 1890, prefiguring their success in carrying land, fiscal, labor, and franchise reforms, constitutes the major chronological dividing line in New Zealand's nineteenth century development.
CHAPTER II

LIBERALS UNITE AND WIN

(1)

The hardening of the disorganized opposition group of 1887 into a functioning party prefaced 1890's Liberal triumph. Viewed from one standpoint, this political unification is Liberal party history; from a broader view, it is a chapter in the growth of New Zealand's party government.

Continued popular support for provincialism had delayed the formation of a strong Liberal party. Until localism was removed as the major motivation for parliamentary alignments, there was slim opportunity for the success of a national solution to New Zealand's problems. The anomaly of Liberals clinging to provincialism in 1876 has been cited. Men of Grey's thinking saw in the provincial system greater opportunity for self-government but failed to anticipate the growing need for national reforms. Gradually Liberal leaders came to view provincialism as the major block to effective party organization and concentrated on enlisting party members whose goals were national in scope. Lipson¹

¹Leslie Lipson, professor of political science at Swarthmore college, spent eight years as professor of political science and director of the School of Public Administra-
summarizes political behavior after 1876:

The pork barrel had become nationalized. Thus the state of public opinion and parties between 1876 and 1890 represented a transition. Political attitudes were crystallizing on either side around the one outstanding issue: land. It is true that other important problems cut across the picture and blurred the symmetry of the design. When town was opposing country, both Liberals and Conservatives might split to form new and temporary alliances; when funds were being doled out for public works, interregional scrambles might produce mariages de convenance which broke up after the desired item had been appropriated.  

These "new and temporary alliances" delayed a cohesive party organization, and the frequency with which ministries were made and unmade indicated unsettled alignments. Twenty-five ministries held office between 1856 and 1890 for terms of office of little more than an average eighteen months.  

Underneath these fluctuations there was a continuity of personnel so that ministerial changes reflected little alteration in Conservative supremacy.

The recognition of the caucus as a legitimate part of parliamentary machinery was achieved in the early eighties and, with it, an advance in party solidity. Centralization and the concurrent development of communications also paved

—-tion in the University of New Zealand at Victoria. He was often consultant to New Zealand government agencies and acquainted with many political leaders and civil servants. His book, Politics of Equality, describes each of the principal parts of the political system—the electorate, parties, cabinet, premiership, parliament, and the administration.

Lipson, p. 61.

Ibid., p. 73.

Ibid., pp. 120-21.
the way for the emergence of national leaders. Grey was one of the first New Zealand politicians to pioneer in nation-wide "stumping" in an appeal to an area broader than his own constituency. Franchise extension after manhood suffrage was achieved in 1881 resulted in an increased need for party organization.

Perfected party organization and the transfer of interest from the provincial to the national level--major requisites for the success of liberalism--were accomplished in the final three years of the Continuous ministry's tenure of office. Sir Harry Atkinson, veteran of four premierships, led the Conservatives in 1887 while the Liberals began

5James Collier, Sir George Grey (Christchurch; 1909), p. 189.

6Grey's act of 1879 making a year's residence sufficient qualification to vote became effective in 1881.

7Sir Harry Atkinson (1831-92) came to New Zealand from Cheshire in 1853 to settle in Taranaki province, North Island. He fought in the Maori wars, rising to the rank of major. Active in provincial politics until 1864, he served three terms as deputy superintendent. He had been a member of parliament in 1861 and returned to office in 1867, recognized as an authority on military and native affairs. Atkinson was away from New Zealand from 1868 to 1872 but regained his seat soon after returning. He favored abolition. He joined Vogel's ministry in 1874 as treasurer, becoming virtual leader when Vogel left for London. He performed treasury duties for ten years and was the mainspring of the Continuous ministry. He was regarded a social reformer, forced to retrenchment when the country needed a positive program. His health declined after 1889 and he was inactive during the final months of the Continuous ministry. Appointed speaker of the Legislative council, he remained active in that capacity until his death June 28, 1892. See DNZB, I, 22-24.
the session defeated and disorganized. To carry out a campaign promise of further retrenchment, the Atkinson government's first move was the reduction of the number of European members in the House of Representatives from ninety-one to seventy. In 1888, Atkinson made a further attempt to right national finance by introducing a sharply increased protective tariff to answer revenue needs and to offer partial satisfaction to the secondary industries hard hit by depression. Many of his followers were free traders, and the measure was carried only with the help of Liberal support. Shortly afterward, an amendment of Grey's turned the Representation act of 1889 into a Liberal victory. The original measure dealt chiefly with the adjustment of the country quota, a device which had operated in New Zealand since 1881 to add strength to the rural vote in the face of growing urbanization. Grey's amending clause embodying the principle of one-man-one-vote by outlawing plural voting gained the full support of the Liberals and sufficient votes from the

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8 The Stout-Vogel ministry had been defeated by parliamentary division before the general election of 1887. The election was a decisive victory for the Conservatives. Stout himself was defeated. Only three constituencies returned substantial majorities for the Liberal coalition.

9 Maoris were represented in parliament by an 1867 act which added four members of their race to the house.

10 Wilson, p. 237.

11 See below, p. 214.

12 The property qualification had been retained in the 1879 act so that a property-owner could vote in as many constituencies as he had holdings.
Conservatives to insure its passage. This Conservative approval has been interpreted as a "growing unwillingness to be regarded as representatives of the privileged sections of the community, and as demonstration of the tenets of English liberalism."\(^{13}\) The end of a system which had strengthened the political power of the propertied was to be a major factor in the 1890 election.

As important to the Liberal success as their own growing cohesiveness was the collapse of the Conservative organization resulting from dissension over the protective tariff and from Atkinson's physical breakdown.\(^{14}\) Outside parliament, it became increasingly apparent that conservatism had little left to offer New Zealand. Little positive action had resulted from retrenchment and the disadvantages of the ten-year-old property tax were accentuated as the depression continued. Perhaps the major indication of the ineffectiveness of the Continuous ministry to cure the nation's ills was the exodus of settlers:

Despite cumulative natural increase by excess of births over deaths, there was perceptible slackening of the population returns, due to the fact that, in the five years between 1886 and 1890 departures from New Zealand exceeded the number of new immigrants by 13,200. This exodus was a striking reversal of the immigration influx with which the

\(^{13}\)Wilson, p. 235.

\(^{14}\)He was unable to take an active part in government during the last months of the Continuous ministry and could not participate in the election campaign.
borrowing boom started.15

John Ballance, who was to lead the Liberals to victory, struck the keynote of his party’s platform in a public address at the close of 1890’s session. He blamed New Zealand’s system of land ownership for the colony’s loss of nine thousand people the previous year and severely criticized the aggrandizement of land by large owners, the absentee ownership of over a million acres of land by forty-three men, and the activity of speculators who had purchased land from small holders forced into selling by depression debts.16

Following the public excitement over the exodus came a second crisis which strengthened Liberal support. Disclosures of "sweating" in South Island industries forced the appointment of an investigating commission, whose report recommended government regulation. But the Continuous ministry moved only tardily in the direction of factory legislation.17 A militant group of workers organized into increasingly active trade unions led a series of strikes "culminating in one of the greatest upheavals in New Zealand history: the maritime strike of 1890."18 Confined in the


16Wilson, p. 239.

17Reeves, The Long White Cloud, p. 280.

18W. B. Sutch, Poverty and Progress in New Zealand (Wellington, 1941), p. 83.
beginning to Australia, the strike soon spread to New Zealand and ended in the complete defeat of the striking seamen and wharf workers. Its main effect in New Zealand was to destroy the faith of trade unions in the success of strike action and to increase their demands for a plan of arbitration.¹⁹ Reeves wrote:

The costly failure of "direct action" left Labour leaders in a chastened and pacific frame of mind. They had asked for arbitration and the employers had spurned them. They were disposed to think unusually well of arbitration. Had they stuck to strikes as a remedy, an alliance between them and the Liberals would have been impossible. As it was, they were ready to accept protective laws with provision for arbitration in industrial conflicts. They were even converted to welcome compulsory arbitration. The Liberal land and taxing policy attracted them as remedies for unemployment. They were not yet strong enough to form a separate party or to scare the farmers into leaving the Liberal fold. So without any formal negotiations or settlement, without even dictation of terms, Liberals and Labour drew into an alliance which lasted for some sixteen years and led to a mass of law-making and experiment of unusual interest and importance.²⁰

Vogel had remained the titular head of the Liberals before his departure from New Zealand in May, 1888, after which the party remained leaderless except for an ineffectual committee of management. There was no chairman and hence little concentrated action—"equality meant anarchy."²¹ When the house met in June, 1889, the need for a party chief was acknowledged and John Ballance was elected unanimously.

Ballance had held the treasury post in Grey's 1877-

¹⁹Wilson, p. 249.
²⁰Reeves, The Long White Cloud, p. 280.
²¹Wilson, p. 225.
1879 ministry, gaining a national reputation then by introducing a land tax. Though Ballance's measure was short-lived—the Conservatives returned to power in 1879 and abolished the tax—it had been New Zealand's first experience with direct taxation. The land-owners were not likely to forget Mr. Ballance. He was defeated in 1881 and returned to Wanganui to manage his newspaper for the next three years, regaining his seat in 1884, and finally emerging as native and defense minister in the Stout-Vogel coalition. He never lost faith "that the stubborn slump could be overcome by rational means," and contrived a scheme of village settlements in 1886 aimed at placing unemployed workers on blocks of crown land divided into small allotments obtained on perpetual lease. With Stout and Vogel gone, Ballance was virtual opposition leader although he did not receive formal recognition until 1889:

It was in these years of the late eighties that Ballance really got his feet on the ground and became the mature, realistic statesman... He knew that the orthodox economists were not equal to the problem of New Zealand... gradually he led his followers away from the stiff and abstract theories of the 19th century into the field of practical amelioration. Ballance was the most serious student of political theory among the Liberals. His boyhood had been spent in

23Reeves, The Long White Cloud, p. 264.
24Scholefield, Notable Statesmen, p. 169.
Ireland and he later worked and studied in Birmingham. Reeves described him as a "curious combination of English Radical and Colonial Protectionist,...an Irish Protestant uniting a belief in Gladstonian Home Rule with a support of Catholic claims for special school grants." Ballance's biographers invariably note his impatience with colleagues when they quoted European theorists without admitting New Zealand's special needs for practical reforms, whether or not they suited the formulas of a certain school.

Ballance lacked the great personal force Grey had displayed in leading the Liberals during the seventies, and of his own successor, Richard Seddon, yet his "peculiar


26 Scholefield, Notable Statesmen, p. 170.

27 Richard John Seddon (1845-1906) emigrated from Lancashire to Victoria in 1863 and spent two years in the Melbourne goldfields before coming to New Zealand's west coast in 1866. He rose in local and provincial politics and was elected to parliament in an 1879 by-election as a follower of Grey and representative of west coast liberalism. He was a member of parliament until his death. Seddon was invited to join Ballance's ministry in 1890 as head of public works, mines and defence. He became acting-premier during Ballance's illness and succeeded to the ministry after Ballance's death. His contender would have been Robert Stout, absent from the House at the time. He led the Liberal party successfully until 1906 and became a famed and loved leader. His outlook on empire affairs led him actively to participate in Imperial conferences and moves to bind the Empire more closely together. He fought for annexation of Tonga and Cook Islands. In 1900 he adopted the title of Prime Minister instead of Premier. See DNZB, II, 280-84.
qualities--industry; background in political theory--were the very ones necessary to hold together an immensely talented, but divergent Cabinet."  Ballance led the Liberal party through its first crucial term until his sudden death in May, 1893. Party leadership then shifted to Seddon, after which the intellectuals played a progressively less important part as the party lost its radical impetus.  Seddon was a big man and a blustering leader--a popular hero to most New Zealanders. He had risen from a west coast miner to premier; his followers affectionately called him "King Dick."  Seddon's personal popularity, greater than Ballance's was important to the Liberals, and became a measurable factor in their long tenure of office. Although he has been given much credit for the entire Liberal program, serious historians agree with Reeves who maintained that the Liberal policy submitted by the Ballance government to parliament in 1891 would have been thought out and enacted "if Mr. Seddon had never been born."  

(II)

Equipped at last with an effective central organization and relying upon the support of the small farmers, the

28Wilson, p. 228.
29Ibid., p. 279.
30Reeves, The Long White Cloud, p. 300.
landless, the trade unions, and manufacturers wanting property tax abolition, the Liberals campaigned in 1890 on a precise platform:

1. Stoppage of "dummyism" in land sales.
2. No more borrowing.
4. Thorough retrenchment.
5. The prevention of the acquisition of land in large holdings.
6. Resumption by the State of land urgently required for settlement, and vigorous settlement of the land.
7. The discouragement of absentee landlordism and of speculative land purchasers.
9. Use of railways to develop the agricultural and pastoral industries rather than as a means of imposing taxation.
10. The establishment of scholarships from primary to secondary schools and to mining and agricultural schools.
11. The establishment of technical schools.
12. Reform of the Legislative Council.
13. Measures to improve the condition of workers.
14. The repeal of the property tax and introduction of a land and income tax.\(^1\)

The Conservative platform promises repeated campaign slogans used throughout the depression:

1. Strict, but not parsimonious economy, combined with cheerfulness and a firm belief in unbounded resources of the colony.
2. Further borrowing within the colony.
3. Purchase of Maori lands.
4. Retention of the property tax.
5. Non-interference by the Government or Parliament with industrial disputes.\(^2\)

The results of the election of December 5, 1890, gave the Liberals fifty-six per cent of all votes cast, and the new parliament contained thirty-eight avowed Liberals,

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\(^1\)Drummond, p. 133.

\(^2\)Ibid., p. 133.
twenty-five Conservatives, seven Independents and four Maoris. The Liberals gained their greatest support in urban electorates where workers "recorded their protest against economic depression and the government's inadequate recovery measures." Rural constituencies divided fairly equally in support given to Liberals and Conservatives. The end of plural voting had its greatest effect in country districts where it had long been the practice of landowners holding property in adjacent constituencies to travel from polling place to polling place to record their votes. A retention of the system unquestionably would have transformed some Liberal successes into Conservative victories.

Five South Islanders, though numbered within the Liberal ranks, campaigned as "labour" candidates—the first recorded reference to a Labour party in New Zealand politics.

33 Lipson, p. 201.
34 Ibid., p. 201.
35 Allance would no doubt have been defeated under the old system. He won by a slim majority of twenty-seven votes. Under plural voting, a contingent of voters would have been sent to Wanganui from nearby constituencies.
36 T. L. Buick, a carpenter; William Earnshaw, brass finisher; D. Pinkerton, bootmaker; J. W. Kelly, tailor; W. W. Tanner, boot operator; E. Sandford, a compositor, joined the group after a Christchurch by-election early in 1891. See Drummond, pp. 134-135.
The labor representatives, however, made no attempt to form a separate party. Their role was described by Drummond:

They followed progressive liberals and helped them with advice that was practical and weighty on account of the experience upon which it was based. The new men would give valuable assistance in preparing measures dealing with technical subjects.

(III)

The Herald's first reaction to the election's outcome was to join the rest of the nation's press in hoping that reconstitution—replacement of Atkinson as leader and shifting of portfolios—might save the Continuous ministry. Even if that should fail, editors contended that Liberals, on their part, would be unable to form a ministry from among untried ranks.

Atkinson did not resign immediately and this prolonged the speculation over the relative strengths of Conservative and Liberal followings, occasioning a spurt of editorializing, concerned not so much with basic political issues as with political practices. Before the session of 1890 ended, Ballance and Atkinson had agreed, in the

38 Ibid., p. 25.
39 Drummond, pp. 136-137.
40 NZH, Dec. 6, 1890, p. 4.
41 NZH, Dec. 10, 1890, p. 4; The Christchurch Press, Dec. 8, 1890, p. 4; Otago Daily Times, Dec. 8, 1890, p. 6.
interests of retrenchment, that if the Conservatives were defeated at the polls the ministry would resign at once and save the costs of a special session. After considerable discussion, Atkinson and Ballance had agreed upon this phraseology:

It is fully recognized that the constitutional practice requires that the result of the general election should, if clearly apparent, regulate the conduct of Ministers in retaining office or tendering their resignations.

Under ordinary circumstances, parliament would have assembled in April. Had Atkinson resigned immediately after the elections, Ballance would have been asked by the governor to form a ministry and to prepare a financial statement and a legislative program. When interviewed three days after the elections, however, Atkinson contended he would have resigned at once had the opposition majority included leaders with ministerial experience. Concerning the agreement, he maintained that he had not given a pledge to resign, but to act "in a constitutional way if the elections went against him." He outlined his course:

It was now his duty to call his Ministers together and consult on the position. A perfectly constitutional way

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42 There had been no Conservative defeat through parliamentary division before dissolution.

43 Drummond, p. 139.

44 Of the Liberals, only Ballance had been a member of a previous ministry. Stout did not run for office in 1890.

45 NZH, December 8, 1890, p. 5.
would be to call Parliament together as soon as possible. It was...inconvenient to assemble before the end of March, but quite likely that this would have to be done.46

By the time of the interview, there was general agreement throughout New Zealand that the Liberals had won a clear majority.47 The Herald advised Atkinson that he must either call parliament together as soon as possible or resign at once, but the advice was cushioned by a clear statement of the Herald's attitude toward the opposition:

We need scarcely say that all our leanings are against the personnel and the policy of the Opposition. Our last experience with them was as the Stout-Vogel-Ballance combination. Of those only Mr. Ballance remains in the field.... We do not think he has been a success as a politician or as an administrator. Still there can be nothing more mischievous than for...politicians to cling to office and to endeavor to keep possession of place and power by subterfuges.48

Herald writers repeatedly criticized Atkinson's personal part in the Conservative defeat, maintaining that if he had resigned when his health broke his party would be in a stronger position:

If Sir Harry Atkinson's retention of office was his own personal desire, he has undoubtedly sacrificed his party and the good government of the country to himself. He made a fatal mistake last session in remaining in office and the party made quite as serious a mistake, from a sense of kindness, in sanctioning such a procedure. We never care to adopt the "I told you so" style, but at this moment...we may be permitted to refer to the fact that at the time, although we had supported the Atkinson Government, we strongly urged that what was right and proper should be done, rather than

46Ibid., p. 5.
47NZH, December 10, 1890, p. 4.
48Ibid., p. 4.
what might appear expedient. 49

Demands came from the Liberal camp for immediate resignation as the only constitutional course open to Atkinson. During an interview with a Herald reporter, Ballance contended that the governor should immediately ask him to form a new ministry and then grant the Liberals three months to plan their legislative program. 50 The Herald's answer was to reassert that some men in opposition to Atkinson might be equally dissatisfied with following Ballance: 51

Of the majority of new men, Mr. Ballance knows nothing except perhaps from reading scraps of their speeches in the newspapers. He has no idea even of the men from whom he has to select a Ministry.... Mr. Ballance says he should be at once, and without a meeting of Parliament, intrusted with the government of the country. We do not think such a course is practicable or expedient. For all parties, the best plan is to have Parliament assembled as soon as possible, even though it may result in an expenditure of £12,000. 52

The cost of an extra session soon became the basis for political argument. 53 Atkinson's ministry announced its

49 Ibid., p. 4.
50 Ibid., December 11, 1890, p. 5.

51 There was some justice in the claim. Only one seat had been contested on a strict two-party line. Independent and Labour candidates were listed on ballots. In twenty-one seats the race was between a government and opposition candidate. See Wilson, pp. 262-263.
52 NZH, December 12, 1890, p. 4.

53 In 1890 members of the House received £100 honorarium and £50 expenses for the first session of a year; if a second was called, payment was £50 honorarium and £50 expenses. Adjournment would have cancelled a second payment since it would be regarded as a single session.
decision to call parliament into session on January 23 but
disclaimed any responsibility for the cost to the nation if
a second session was necessary. Conservatives suggested that
dual payments to members could be avoided if the new govern-
ment formed and then asked for adjournment instead of pro-
rogation. With this reasoning the Herald disagreed and
consistently blamed the Conservatives for events necessitat-
ing two parliamentary sessions in 1891. However, after
parliament had been prorogued, the newspaper cited the voting
record of Auckland representatives, chiding those who had
supported prorogation:

This is the first practical test of economy and re-
trenchment which has come before the House and they have
gone against economy. Members will perhaps say that they
will show a different front when they come to deal with
economy as applied to others than themselves.

In its London report on December 29, the Herald in-
cluded a lengthy summary of the month's events. It credited
Conservatives with twenty-eight supporters; the opposition,
three-one; Labour, four; and doubtfuls, seven. Atkinson's
delay in resigning was explained away as an attempt to gain
the support of some of the 'doubtfuls' who were not defi-
nitely pledged to Ballance. The advice of the press of New
Zealand was credited with the decision to call parliament
January 23.

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54 NZH, December 16, 1890, p. 5.
55 Ibid., January 31, 1891, p. 4.
56 Ibid., December 29, 1891, Supplement, p. 1.
Newspaper speculation after the election had evidenced two genuine hopes for the salvation of the Conservative party: that reconstitution—with a replacement for the ailing Atkinson—might save the Continuous ministry, and that the Liberals would not give Ballance sufficient support. Editorials on both subjects ceased abruptly when Atkinson requested the governor to appoint six Conservatives to the Legislative council. It became suddenly evident that Atkinson's delay in resigning was based solely on a desire to further strengthen the position of the Conservatives in the upper house. Until he resigned, Atkinson possessed authority to advise the governor.57

After the disclosure of the appointment scheme, the Herald ceased its examination of possible alternatives to a Liberal government, accepted its inevitability, and lectured the Conservatives;

It was quite certain from the beginning that they could not carry on as they stand, because the Premier must retire, and that carried away the whole Cabinet. It will require a considerable amount of charity to entertain any other supposition than that the Ministry have since the election been indulging in the game of "bluff" till certain arrangements were made as to the Speakership of the Legislative Council...and those to be called to the council.58

Action was rapid once parliament assembled. The expected division over the selection of the speaker resulted in a 36-29 vote for the Liberals, and the ministry resigned.

57The Legislative council appointment issue is dealt with fully in Chapter III.

58NZH, January 15, 1891, p. 4.
Ballance was asked to form a government and announced the composition of his ministry three days later: Ballance, premier, colonial treasurer, minister for native affairs and commissioner for trade and customs; William Pember Reeves, minister for education and justice; Richard J. Seddon, minister for public works, mines and defense; Sir Patrick Buckley, attorney-general, colonial secretary and postmaster-general; Sir John McKenzie, minister for lands, immigration, and agriculture; Joseph Ward, postal and

59Sir Patrick Buckley (1841-1896) emigrated to Queensland after studying at the University of Louvain, Belgium, and fighting with Papal forces against the Piedmontese. He practiced law in Australia before coming to New Zealand in 1865. He was provincial solicitor for Wellington for several years. He was appointed to the Legislative council in 1878 and served as colonial secretary in the Stout-Vogel ministry. He was in Ballance's ministry as the upper house representative until 1895 when he was appointed a supreme court judge. See DNZB, I, 115.

60Sir John McKenzie (1838-1901) settled in Otago in 1860. A Scot with keen interest in land questions, he criticized New Zealand land practices. He held a Provincial council seat from 1871 to 1876 and then turned to local politics. Elected to parliament in 1881, he advocated land reforms. He accepted Ballance's invitation enthusiastically and devoted himself to land settlement, end of dummyism, and subdivision of large estates. His health broke in 1899 and he resigned from ministry and parliament in 1900. See DNZB, II, 25-26.

61Joseph Ward (1856-1930) was born in Melbourne and taken to New Zealand with his parents while a boy. While very young he developed a prosperous grain business in South Island. He was active in borough politics and made his first effort to enter parliament in 1890. He was successful and retained his seat continuously until 1919. Ballance recognized his administrative ability and invited him to join the cabinet. He advocated cheapening of postal rates and was successful in enacting them. He became treasurer and customs commissioner under Seddon and later took charge of mines, industries and commerce departments. He was influential in
telegraph department, and A. J. Cadman, commissioner of stamp duties.

The Herald comments on the ministry were prefaced by the statement that there was little to be said of the cabinet since most of its members had the bad fortune not to have any record. Ballance was referred to as having "certain notions regarding land nationalisation and taxation which we think mistaken." It was hoped, however, that Ballance saving the Bank of New Zealand during the crisis of 1894 by state intervention. He established the State Advances office the same year. He was embarrassed by the failure of his own company in 1897 and he resigned briefly. He added railways to his duties in 1900, and inaugurated penny postage in 1901. He became the head of the first department of public health in 1901. He succeeded to Liberal leadership after Seddon's death, remaining undefeated until 1912. He led Liberal opposition and joined the wartime coalition ministry as deputy prime minister and minister of finance. When Liberals won under the name of "United" in 1928, Ward again served as prime minister until his death two years later. See DNZB, II, 460-464. Also R. A. Loughnan, The Biography of Sir Joseph Ward, (Wellington: 1929), 234 pp.

A. J. Cadman (1847-1905) was born in Sydney and came to New Zealand while still an infant. He served in the Maori wars and established a saw-mill business in Coromandel, North Island. He was chairman of the Coromandel county council for ten years and was elected to parliament in 1881, serving until 1890 when he was invited by Ballance to join the cabinet. Cadman was given native affairs and the justice department the next year. After his health broke, he retired in 1899 and was appointed to the Legislative council, continuing as a cabinet member without portfolio until 1901. He was elected Speaker of the Council in 1904 but ill health prevented his holding office. See DNZB, I, 131.

NZH, January 26, 1891, p. 4.

Ibid., p. 4.
would restrain the extremists in his party. The situation was summarized:

Those who cry out for "new blood" must be satisfied, but the majority will think that we have rather too much of it.... Such is the Ministry which now guides the destinies of New Zealand. It is very difficult to surmise its policy from its composition. The only scrap of information given is that the new Government is in favor of "reform of the legislative council, retrenchment, and change in the incidence of taxation." 65

No legislation was attempted during the brief January session. As soon as the Ministry was announced, the government moved for prorogation until June to gain time to formulate its program. The Herald offered parting advice to members of the house:

For ourselves, we may say that it is exceedingly likely that we shall be opposed to some of the most important measures of the new Ministry, judging from what those gentlemen have advocated as private members. But if we do find ourselves opposed to them, it will be simply on their measures.... The danger which lies before the Ballance administration is that it may allow itself to be pushed on too far by the extreme adherents of the party. It has a splendid chance, and we hope it will make good use of it. Ministers have only to deal wisely with any opportunity which arises for the reduction of taxation, to take care that the cost of Government does not increase, to guide affairs with a steady hand, and to abstain from fanciful and experimental legislation. 66

Hope that the Liberals would take no drastic steps, and caution against the "radical segment" characterized Herald editorializing during the January-June recess. Fear of what New Zealand's "socialistic advocacy" would mean in

65Ibid., p. 4.
66Ibid., January 28, 1891, p. 4.
London was a frequent editorial subject:

What effect liberal action will have upon the welfare of the colony through the London money market, or what effect it will have upon men of moderate or large wealth who might be inclined to select New Zealand as their future home, time will no doubt tell. We are afraid that revolutionary proposals, calculated to shake the foundations of society, and unsettle the values of property...may not be to our advantage.67

The Herald contended it would be unwise for the ministry to deal with too many subjects, suggesting that only parliamentary newcomers would attempt the "large ideas" of the Liberal leaders.68 The measures approved by the Herald indicated Auckland's interests:

We presume the Government are bound to deal with the subject of taxation, and to attempt to substitute a land tax for the property tax.... The Ministry ought certainly to attempt a reform in the administration of native lands.... Ministers are no doubt exceedingly anxious to reform the Legislative Council and the electoral laws, but we think they should begin by laying aside these subjects at once as beyond their strength.... If the Ministry can next session carry out their proposed change in the taxation, get rid of the present block in regard to native lands, and provide for certain public works, they had better for their own sakes leave everything else for another year.69

The major political issues between the January and June sessions of parliament were the retrenchments in the civil service effected under Ballance's leadership, the additional verification by the census bureau of the seriousness of the continuing exodus from New Zealand, Sir George Grey's

67 Ibid., March 18, 1891, p. 4.
68 Ibid., p. 4.
69 Ibid., p. 4.
return to parliament, and the establishment of a National Liberal association.

Ballance's move to further cut the civil service staff was estimated to result in an annual saving of £100,000. The Herald registered approval. In April, a census report's disclosure of the unfavorable balance between emigration and immigration prompted the most serious reviews of New Zealand's position by the Herald. Blame for this check to the country's progress was placed upon the borrowing of the seventies and eighties and the resultant property taxation. The Herald admitted that the Atkinson administration had offered no solution to the nation's problems and gave general support to Ballance's intention to stop the outward flow by the substitution of a land and income tax for the property tax.

Sir George Grey had announced his retirement from politics in 1890. During the election campaign and the first session of parliament in 1891, he had represented New Zealand at a federal convention in Sydney where he led the fight for the passage of resolutions which would favor universal manhood suffrage and elective governors in all the Australasian colonies. Shortly before Grey returned to New Zealand, David Goldie resigned an Auckland seat because of

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70 Ibid., April 24, 1891, p. 5.
71 Ibid., May 22, 1891, p. 4.
ill health; Grey consented to run and was elected unopposed.72 Though estranged from the Liberal party after 1884, Grey had usually been in harmony with Ballance. Nevertheless, when he was returned to parliament in 1891, it was generally acknowledged that he might be able to muster a following of his own and split the Liberal party. Hope for this split in Liberal ranks,73 and a strong feeling of respect for the famed Auckland, contributed to the Herald's support of Grey:

Not the least remarkable characteristic of Sir George Grey is his disinterested devotion to the service of the public. At an age when most men who have given the best part of their lives to the commonwealth seek to escape... from political hurly burly he is still found in the areas as eager and as enthusiastic for the advancement of these new lands as if the fire and vigour of early manhood was still his. He returns from what may not inapty be described as a triumphant tour, to resume his labours in the Parliament of New Zealand as a representative of the people, we hope with renewed strength and vigour.74

Loosely organized groups throughout New Zealand had contributed to the Liberal party victory in 1890 but there had been no attempt to form a countrywide Liberal association. However, in early June, an announcement was issued from Dunedin that a National Liberal association had been formed. Less a product of a centralized scheme of organize-

72Ibid., May 22, 1891, p. 4.
73During the 1891 session, Grey fought the tax on improvements. Then and later the Herald noted the "rift in the lute" with delight, giving Grey general support whenever he deviated from the ministerial course.
74NZH, June 9, 1891, p. 4.
tion than of a local proffer of a platform for nationwide adoption, the self-styled National Liberal association created trouble for the Liberal ministry and confusion among New Zealanders. Its platform was far in advance of the ministry's announced course and consequently became an immediate target for the conservative newspapers. Included in the association's proposals were demands that the central government hire any unemployed workers; that the state resume ownership of all land, mines, railways, and marine services; that women be given the right to vote; that the government end all land sales; that leasehold be established as the sole means of tenure, and that governors be elected. Since the Ballance ministry had not alluded to any of these reforms, the press embarked on a series of attacks upon the "hidden intents" of the Liberals:

At the present time, the government can do much for the welfare of the colony. But if they legislate for the nationalization of land,...if they recognize it as their duty to employ every man who chooses to say he prefers government employ, then indeed, our last state will be worse than our first.

On the eve of parliament's June 11 opening, the Herald carried a long editorial on an Argentine financial crisis and found a lesson for New Zealand in the South

75Seddon, in 1893, compared the Liberal association's program to an agenda submitted to a debating society. The matters were laid down for discussion but Liberals were not bound to carry them out.

76NZH, June 6, 1891, p. 5.

77Ibid., p. 5.
American upheaval:

These occurrences ought to be a lesson to our politicians as to meddling abruptly and incautiously with the industries of the colony and with capital.... If we adopt such schemes as set for us by the National Liberal Association we may hamper trade, we may restrict freedom of contract, we may inspire in the minds of businessmen such distrust of our legislation that they will refuse to embark in the most promising enterprises, we may prevent the development of those natural resources of the colony of which we are so fond of boasting but which we show so little inclination to develop.78

With this warning, the Herald greeted the first Liberal administration. Before turning to the newspaper's reaction to Liberal moves, it may be well to note a New Zealand development which the Herald's warnings against a "drift into socialism" ignore; that the functions of government in New Zealand had been considerably expanded before 1890. A study of the newspaper's editorials reveals that there was no acknowledgment that any government services--beyond the bare essentials of political administration--existed before the Liberals appeared upon the scene. It is wrong to assume that all the Liberal measures marked a complete departure from former New Zealand experience. As a background to the years that followed 1890, it is useful to examine what the central government was doing in New Zealand at the close of the period of the Continuous ministry's dominance:

In 1890 the state was the largest landowner and receiver of rents and the largest employer of labor. It

78Ibid., June 11, 1891, p. 4.
owned nearly all the railways and all the telegraphs, and was establishing a State system of telephones. It entirely controlled and supported the hospitals and lunatic asylums. ... It also controlled the whole charitable aid of the country, by a means of local boards and institutions. It was the largest trustee, managed the largest life insurance business, and educated more than nine-tenths of the children. Nearly all the sales and leasing of land went through its Land Transfer Office. 79

Lipson writes that the Liberal party's achievement consisted merely in applying a principle of long standing—that the government should establish new state services if these were required in the public interest. 80 He credits the Liberals with establishing the central government as the paramount influence in shaping New Zealand's destiny. 81

State-aided immigrants of Wakefield's day had learned to depend upon the state-aided developments of the Vogel boom. The events of the nineties were to strengthen the validity of Reeves' characterization of New Zealand politics:

"First, the almost unlimited trust in the people; second, the free use they make of their power; third, the drift, or semi-conscious progress, into governmentalism." 82

The Liberal success in the elections of 1890 climaxed a decade and a half of experience in national politics during which party members slowly rose above provincial

79 Reeves, The Long White Cloud, p. 283.
80 Lipson, p. 167.
81 Ibid., p. 167.
82 Reeves, State Experiments, I, 48.
considerations to acknowledge needs for strong measures to counteract the effects of the long depression. Support for the Liberals came chiefly from an alliance formed by small farmers and urban workers. These two factions were joined by manufacturers who looked to the Liberals for relief from a burdensome property tax.

The defeat of the Continuous ministry ended a Conservative supremacy of twenty-one years duration, and embarked the defeated government on the controversial course of delaying resignation until seven Conservatives had been appointed to membership in the Legislative council.\(^3\)

The Herald's editorial record during this period is significant to the story of the interaction of the Liberal program and the conservative mind for which the newspaper spoke, because the scene is set for the relations between press and party during the first Liberal administration. The evident reluctance to acknowledge the defeat of Atkinson's ministry, the hope for reconstitution, and the doubt of Ballance's leadership all form part of a final grasping at straws to discover a way for continuation of the Conservative administration. An underlying honesty in the newspaper's approach is revealed in its forthright criticism of Atkinson's refusal to resign after the Liberal victory was

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\(^3\) Atkinson first advised the governor to appoint six Conservative members to the Legislative Council. He later capped the feat by arranging his own appointment to the Speakership of the Council.
a certainty.

The newspaper's repeated caution to Ballance to calm the extremist wing of his party and the advice against any sudden change in national policy reveal the uncertainty with which the Herald viewed the political upheaval, and preface an opposition to the Liberal measures of reform.
Outwardly, all things seemed to favor the legislative enactment of the Liberal program when parliament met in June, 1891. The Liberals had an acknowledged majority in the House of Representatives, they were guided by a ministry grouped cohesively around John Ballance, and they faced only a weakly organized Conservative opposition. Doubtless the superficial onlooker would have expected the early success of the entire body of legislation forecast in the Liberal platform. But the effective obstruction of the upper house of New Zealand--the Legislative council--delayed the passage of the major measures introduced by Ballance's government. Among the bills which the council either rejected or wrecked with its amendments were measures providing for electoral reform, for industrial arbitration and conciliation, for shop and factory employment codes, and for increased settlement on the land. Consequently the Liberals realized, as did their British counterparts in 1910 and 1911, that institutional reform would have to precede the social
changes that they desired.¹

Until 1890 the history of bicameral government in New Zealand closely approximated British experience. Members of the Legislative council were appointed for life by the governor upon the advice of the premier. There was no constitutional limit fixed upon the total membership of the council and thus nothing to preclude indiscriminate "swamping" by the party in power. Since the great majority of the members of the Legislative council which was sitting in 1890 had been appointed by Continuous ministry premiers, they were invariably men of wealth, wielding authority in agricultural or financial circles. There had been little disharmony between the council and the House of Representatives during the years after 1876 simply because both houses were of similar conservative political conviction. Because of this, the New Zealand situation in 1891 fits Laski's description of the British parliament:

If there is to be a second chamber at all in a democratic state, the House of Lords, when a Conservative government is in office, is perhaps as good a second chamber as there is in the world.... The real problems to which it gives rise occur only in periods of deep controversy when a progressive government is in power. For it is then that there sweeps into view its character as the common fortress of wealth. It becomes the reserve power of the Conservative party, determined to correct the consequences of a progressive victory at the polls, so far as it lies in its powers....²

¹Lipson, p. 357.

During the parliamentary session of 1891, the New Zealand Legislative council acted on the assumption that the best way to correct the "consequences of a progressive victory at the polls" was to amend progressive legislation so drastically that the Liberal ministry would surrender it, or simply to reject measures. To understand the powers lying at the disposal of the council, it is necessary to review the Legislative council's record after its organization under the terms of the Constitution act of 1852.

The clauses devoted to the General Assembly in the 1852 act provided for a Legislative council whose members were to be appointed by the governor upon advice from the Crown. There was to be a minimum of ten members appointed for life terms of office. To qualify for appointment to the council, a man had to be a British subject, at least twenty-one years old. Appointment for life was the nearest approximation to hereditary membership that the framers of the constitutional act could provide. Although a few political leaders in New Zealand argued for an elective upper house, or for a chamber elected by provincial councils, the sentiment prevailed that the Legislative council should be patterned as closely to the British House of Lords as possible so that it could safeguard the interests of the aristocracy expected to emerge from the application of the Wakefieldian

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3 Act to grant a Representative Constitution to the Colony of New Zealand, June 30, 1852.
scheme.

The Constitution act was silent concerning the relationship between the upper and lower house except to stipulate that all bills be passed by both the Legislative council and House of Representatives before being presented to the governor for Her Majesty's consent. It was taken for granted that the same usages would operate in New Zealand as in Great Britain. Clarification of the exact powers of the Legislative council was made in two separate decisions by the Colonial office. In 1854 members of the council asked for an opinion from the Colonial office about its authority to alter any measure of supply which the lower house had approved. In an answer stating that the analogy of the English constitution ought to prevail, British officials stated that money bills were not to be amended. This decision was reasserted a decade later when the council sought authority to amend a pensions bill. The only other change in the constitution of the Legislative council before 1891 was an alteration in the appointment of members. By an act of the British parliament in 1868, it was established that future appointments would be made by the governor upon the

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4 Lipson, p. 139.
5 Act to grant a Representative Constitution to the Colony of New Zealand, June 30, 1852.
6 Lipson, p. 140.
7 Ibid., p. 140.
8 Ibid., p. 141.
advice of the ministry in power.9

Peaceful relations between the House of Representatives and the Legislative council characterized the federal period. Not only were the colony's main political battles fought on provincial levels, but a restricted franchise placed men in the lower house who were of much the same political conviction as those appointed to the Legislative council. Later, the attitude of the Continuous ministry toward the upper house, even when it obstructed their measures, was one of stoical acceptance of the price for what Sir John Hall termed "a needed check, some drag, some conservative element in the constitution."11

The Liberals had displayed no similar attitude of passive acceptance of an upper chamber which they labeled "unresponsive to public opinion, unduly conservative, representative only of a privileged social group."12 The Liberal administration led by Grey in 1877 watched their electoral bill which provided for manhood suffrage be amended and delayed by the Legislative council. From that time, in session after session, Liberal representatives argued against the Legislative council, urging that it must be altered in

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10Hall was premier in the Continuous ministry from 1879 to 1882.
11P.E.D., XXXIX (1881), p. 221.
12Wilson, p. 65.
composition or abolished entirely. The most frequently repeated suggestion to come from the Liberal ranks was that the upper house should be an elective body.\textsuperscript{13} In their campaign platform of 1890 the Liberals included a single measure devoted to the upper house: "They would reform the Legislative council."\textsuperscript{14}

When the Ballance government came to power, it thus faced an upper house whose members were still in sympathy with the defeated Conservatives. Though barred from altering any financial measures originating in the House of Representatives, the Legislative council had full power to initiate legislation and to amend and reject measures passed by the lower house.

During its first session in power, the Liberal party made good its campaign promise of council reform by successfully carrying a measure which reduced the term of office of members of the upper house from life to seven years and provided that the speaker of the council would henceforth be elected by fellow councillors, rather than appointed by the governor.\textsuperscript{15} Although Ballance's ministry could point to this measure and to their taxation bill as positive accomplishments at the end of the first session, they had been

\textsuperscript{13}\textit{Ibid.}, p. 81.
\textsuperscript{14}See above, p. 48.
\textsuperscript{15}\textit{New Zealand Official Yearbook}, 1894, pp. 26-27.
forced to watch helplessly while the council wrecked the remainder of their legislative program. The obvious need for the Liberals was increased representation in the council. The efforts Ballance made to secure the appointments of liberals to the upper house were thwarted for more than a year; his fight and eventual victory occupied the attention of press and public throughout the first two sessions of the liberal administration.

(II)

The breach between the House of Representatives and the Legislative council was further widened by a tardy act of Atkinson's. That his delay in resigning office after defeat was done to gain time to advise the governor's appointment of additional Conservatives to the Legislation council has been noted. The first Herald mention of Atkinson's scheme to strengthen his party's position in the upper house appeared in mid-December:

It is reported in Wellington that the Government are considering the propriety of recommending His Excellency to call Sir Maurice O'Rorke, Mr. Downie Stewart, and Mr. Fulton to the Legislative Council. We can scarcely think that this is really so. A Government in the position of Sir Harry Atkinson's has no excuse for calling men to the Legislative Council except to reward party services, and this is not a good enough reason. Then, if a new Government came into office it would say, with perfect truth, that the Legislative Council was filled with its opponents, and that it was absolutely necessary to call several partisans, in order that it might be able to carry its measures, which had been approved
by the House of Representatives and the country. 16

Atkinson paid little attention to such advice as this and gained Governor Onslow's consent to appoint six 17 Conservatives to the Legislative council--already weighted heavily against the Liberal party. Taking an even bolder step, in the light of the defeat his party had suffered at the polls, Atkinson succeeded in securing the speakership of the council for himself. In his first action Atkinson provoked discussion as to the legality of the governor's receiving advice from the leader of a government defeated in a general election. In the second move he had to maneuver shrewdly to insure his own eligibility for nomination to the upper chamber. The Liberals were indignant. Urged on by his supporters, Ballance instructed Sir Westby Perceval, the party whip, to prepare a petition to the governor. Signed by members of the Liberal party, it set forth four claims: (1) any increase of the council as then constituted was contrary to the wishes of the people as expressed at the general election; (2) the Atkinson ministry was in a decided minority and could not represent the people, nor had they the right to advise the governor; (3) the country had demanded a reform of the upper house and until consideration of a reform

16 NZH, December 15, 1890, p. 4.

17 Three men were appointed from each island: J. B. Whyte, Auckland; J. D. Ormond, Hawke's Bay; C. J. Johnston, Wellington; C. C. Bowen, Canterbury; W. Downie Stewart, Otago, and James Fulton, Otago.
measure had been made, no new appointments were in order, and (4) Atkinson himself in 1887 had recommended a limitation of the council to thirty-five members, one-half the number of the lower chamber, and the council already exceeded this suggested limit.18

By the time this petition reached Governor Onslow, the appointments had been announced. Onslow informed the petitioners that he was responsible to no one but the secretary of state for the colonies and refused to discuss the matter.19 The governor justified his position in a dispatch to the colonial office. He pointed out that no new councillors had been appointed since 1887 and deaths and resignations had decreased the membership of the council from forty-eight to thirty-nine in the intervening years. Onslow maintained that he would accept Atkinson's recommendation for the appointments as long as they were limited to six; a larger number might be regarded as a precedent for "swamping" the upper house. He referred to the practice in England of ministers, even after a vote of censure, advising the Crown to create limited peerages, not only to strengthen the upper house, but as a reward for those who qualified for the peerage and who had served the defeated party.20

18Drummond, p. 141.
19Ibid., p. 141.
20NZH, January 24, 1891, p. 5.
Atkinson's own nomination to the speakership of the Legislative council was complicated by a rule which prohibited anyone holding a seat in the House of Representatives from being appointed to the council. He sidestepped the obstacle by resigning his seat an hour before parliament convened in January, remaining premier by courtesy until his ministry formally resigned after being defeated in a division over the selection of the speaker of the house.  

Onslow then immediately appointed Atkinson, no longer premier or member of the lower house, to the speakership of the Legislative council.

In its initial comment on the proposed appointments, the Herald openly criticized the party whose defeat it mourned. Although the newspaper's attitude softened in the next weeks, Atkinson's council scheme was never condoned. Striking out at both sides, the Herald accused the Conservative leader of "being occupied with thinking about billets for himself and his friends," and termed Ballance's petition to the governor a "folly and impertinence,...an attempt to tutor the Governor, and an offer of advice not asked

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21The Conservative minority was obvious when parliament met. Their defeat was formalized over the choice of the speaker of the House of Representatives. The Liberal nominee, William J. Steward, won over William Rolleston, thirty-six to twenty-nine.

22NZH, loc. cit.

23Ibid., January 15, 1891, p. 4.
When the appointment of Atkinson to the council speakership was announced, the Herald’s attitude softened to agree that a man with his long public service and knowledge of parliamentary procedure was qualified to efficiently perform the duties of the office. The newspaper sympathized with Atkinson’s personal poverty and lamented that a man with his record should be obliged to delay his resignation of the office of premier "until some appointment could be found into which he could be shunted, in order to give himself a decent livelihood."

(III)

The Herald maintained its critical view of the council appointment issue during the period from January to June when parliament was not in session. An editorial writer agreed with Ballance when he attacked the action of Atkinson during his first public speech after the prorogation. In April, the Herald printed a lengthy review of the entire appointment issue, continuing to maintain that Atkinson’s maneuver

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24 Ibid., December 17, 1891, p. 4.
25 Ibid., January 19, 1891, p. 4.
26 Ibid., January 24, 1891, p. 4.
27 In this speech, delivered at Wanganui, Ballance’s own constituency, the premier carefully pointed out that he did not blame Governor Onslow for the appointments secured by Atkinson. Rather it was Atkinson’s fault for leading the governor to believe that he still commanded the confidence of the country.
was not only improper but was a virtual invitation to Ballance to seek the placement of Liberals in the upper house:

The Atkinson Ministry, in going out, made a number of nominations as rewards for party services. That was undoubtedly a wrong. There was no need to appoint them on the grounds that the party was to continue in office and had to be strengthened in the Council.... The only effect of their appointment was to furnish a powerful argument to Mr. Ballance to neutralise the effect of the evil done on one side by doing a corresponding evil on the other.... Mr. Ballance may say, that with the Legislative Council constituted as it is, he has no chance of carrying any of the measures which his Government has agreed upon; a Government which has the full confidence of the country.28

For the last time the Herald looked with sympathy at the position of the Liberals in relation to the composition of the Legislative council:

As matters stand, it is hard to say to Mr. Ballance that he must make no more appointments, because there are at present more members than there should be. He may reply that with the present Council, it is useless to bring any policy before the House.29

The Herald's prediction was sound. From the list of the major policy measures of the session of 1891, only the taxation bill and the measure changing the tenure of Legislative council membership were allowed to pass through the second chamber.30 The council's methods of blocking the bills which the Liberals introduced took varied forms. Some

28NZH, April 10, 1891, p. 4.
29Ibid., p. 4.
30The passage of the Legislative council bill during the first session has been a matter of omission and confusion by historians of New Zealand history. It has been common for them to speak of the taxation bill as the "only Liberal measure which got through the upper house." Although writing
measures were thrown out entirely, some were shelved, and some were amended beyond acceptability by the majority in the lower house. In its examination of the treatment of individual bills by the Legislative council, the Herald usually minimized the destructive work of the councillors, so that the reader was led to believe that only the obstinacy of the Liberal ministry in refusing to accept "minor" revisions stood in the way of compromise.

The core of the Electoral bill, carrying the principle of one-man-one-vote a further step, made it impossible for an elector to be registered in more than one district, and abolished all qualifications arising from the possession of property. After the ministry relinquished the bill, the Herald commented:

The Council has altered the bill so to go back to the old provisions which were only right and proper.... The Council have adopted a new clause, restoring the freehold qualification and giving also a leasehold qualification to vote. There was also a clause in the bill as sent up de-barring a person from registering in more than one district, but this has been struck out by the council by a majority of 18 to 5.

The Factories bill and the Shop Hours bills were the

one of the few detailed studies of the government of New Zealand, the American political scientist, Lipson, mis-dates the passage of the measure altering the term of members of the upper house, and asserts that it was not successful until 1893 after Ballance had been able to nominate Liberals to the council. See Lipson, p. 357. Also Drummond, p. 163.

31See below, Chapter VII.

32NZH, September 12, 1891, p. 4.
major measures in the labor legislation of the Ballance ministry during 1891. The latter was killed outright in the upper chamber. After the council had voided an important clause in the Factories act which would have prohibited employers from hiring boys under fifteen years of age unless they had passed the fourth standard examination, the Herald noted that the council had done a good service by removing a provision which could never have been carried out.\(^3\)

The conservation of remaining Crown lands for genuine occupation under perpetual leases was the heart of the land bill. Its defeat was the final major inter-house squabble of the session. The Herald admitted that "the council had destroyed all the principal features."\(^4\) In reviewing the points of difference over the measure, the Herald summarized its views on the essential freehold issue: settlers without the right of freehold would be simply tenants paying rent. The council had simply reinserted a clause giving a settler the right to convert a leasehold into a freehold but the Liberals would not yield, so that the bill, which had occupied much time, might as well never have been introduced.\(^5\) A month after the end of the session, the land bill destruction was reduced in the columns of the Herald to "the

\(^3\)Ibid., September 18, 1891, p. 4.
\(^4\)Ibid., September 21, 1891, p. 5.
\(^5\)Ibid., September 23, 1891, p. 4.
council's objecting to nothing, but insisting upon an added clause."

Toward the end of the 1891 session, Herald editorials were keyed to a theme, woven out of successive council victories, that the upper chamber "had done the country good service," "had stood in the way of the blindly foolish of the attempts of the House of Representatives," and that "there could be no doubt that the work of the Council will be approved by all thoughtful men throughout the colony." The newspaper announced jubilantly that the Legislative council had simply resisted the majority of the house so that the whole of the Government legislation, with the exception of the taxation bill, was thrown to the winds.

A Payment of Members bill was the subject for the most petty editorializing of the session. The house passed a measure which would have raised salaries in both chambers. The councillors labeled the increase inopportune and maintained that the upper house was unwilling to raise the payments of its own members. They delayed a final decision

36 Ibid., October 24, 1891, p. 4.
37 Ibid., p. 4.
38 Ibid., September 7, 1891, p. 4.
39 Ibid., September 18, 1891, p. 4.
40 Ibid., September 24, 1891, p. 4.
41 The salaries of representatives would have increased from £150 to £240, and that of councillors, from £100 to £150.
42 P. B., LXXIII, p. 670.
and late in the session laid the bill aside without acting upon it. In this circumstance, the course for the lower house members would have been to appoint a committee to search the journals of the council for the missing bill and to report its fate before they could frame a new measure. Ballance announced on September 18 that it was too late in the session to renew the bill and tabled it for 1892. On the heels of adjournment on September 26, the Herald remarked on the ill nature marking the conclusion of the session and made its own analysis of the trouble:

Members have been in very bad humour during the last days of the session and there has been nothing manifested of that cordiality which was shown in former years. Can it be that members are irritated and annoyed because they have failed to get their salaries raised? It is quite open for anyone to say that the irritation manifested in the House towards the Council is owing not so much to the Council having resisted land nationalisation as because they were the means of stopping the Payment of Members bill.

To trace the policy of the Herald from its critical attitude of January to its open support for the council by the end of the session is to trace the reaction of a Conservative supporter gradually coming to realize that the fight in 1891 was between the two houses, not between the Liberals and the weakly-organized opposition forces in the lower house. In January, the newspaper had maintained that Atkinson's success in further strengthening the majority in

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43 The proposed scale of payments was passed in 1892.

44 NZH, September 26, 1891, p. 4.
the Legislative council was corrupt. By October, the newspaper placed all its faith in the council as a force to calm the "dangerous fit" of the lower house:

At the present time, the House is inclined to make sudden changes, heedless of the gross injustice done.... If at the present time, the Legislative Council insists that extreme measures shall at least be delayed, and that the bills passing through the House which are mere class legislation, shall wait for further public ratification, it will deserve well of the country.45

This was a new role for the council. Rarely before had it been the object of the country's attention and the flattery of the press. Its very existence had been challenged by men of Grey's thinking and both Conservatives and Liberals had long agreed on a need for upper house reform.46 But by the end of 1891, this same upper chamber had emerged as the protector of the nation's order. The Herald's most serious examination of the new position of the Legislative council was occasioned by a manifesto approved by the Auckland Trades and Labour council in early September urging the government to appoint new members to the upper house of decidedly "democratic proclivities" in order to secure the fair representation of labor interests.47 The Herald retorted that the council was supposed to be a body of "conservative proclivities" with the special function of checking hasty

45Ibid., October 2, 1891, p. 4.
46Lipson, p. 142.
47NZH, September 15, 1891, p. 4.
legislation and insuring that no changes be made until public opinion was ripe for them. The council was also bound, according to the Herald, to revise all bills to make them workable and to reject all objectionable provisions for further consideration by the country.

William Pember Reeves, the author of the Liberal party's labor laws, noted the position of press and Legislative council during the 1891 session:

Though not well led, they (the Conservatives) had good debaters and influential support outside and could count on the vigorous championship of a host of newspapers of varying size, violence, and ability. Furthermore, eleven-twelfths of the Upper House--including every member of much capacity there--were on their side. They had reason to think that if their speech-makers and journalists could work on public opinion the Legislative Council would see to it that they had plenty of time to bring the country round.

Division lists of 1891 show that five of the thirty-five councillors voted with the government. By the end of the year, one of the upper house Liberals had left the colony, and a second was ill, leaving Sir Patrick Buckley, the cabinet representative in the council, and two others to support the ministry. The clamor for Ballance to nominate Liberals to the council increased throughout the session. Local Liberal associations joined trade unionists in appeals for action. Some attributed Ballance's delay to a hope that

48 Ibid., September 18, 1891, p. 4.
49 Ibid., p. 4.
the council would destroy itself by giving sufficient cause for drastic moves against it. Others held that the Liberals were pledged to complete a step toward council reform before adding to its membership.

On the matter of council reform, the Herald was strangely silent. Only three times during the entire session did the Herald make an editorial reference to the bill passed by the Liberals reducing the membership terms in the upper house from life to seven years.\(^51\) Except for a remark that the council's element of steadiness might be endangered, the Herald seemed to consider the measure unimportant. At the end of the session, the newspaper contended that very little had been accomplished by the bill from the Liberal point of view, since they undoubtedly would soon have to relinquish power and the power of appointment would revert to Conservatives.\(^52\)

(IV)

By the time the Liberal members of the house returned to their constituencies in November, the quarrel over the checkmate imposed by the Legislative council had become intensified. The Liberals raised a unanimous cry for appoint-

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\(^{51}\) The measure was not retroactive in its final form. Appointments were to be renewable. See *New Zealand Official Yearbook*, 1894, p. 27.

\(^{52}\) *NZH*, October 10, 1891, p. 4.
ments from their ranks to the upper chamber. The Herald contested Ballance's right to request nominees, displaying inconsistency with its April viewpoint that this was the premier's logical course of action. The newspaper launched into a series of editorials based on the argument that the government was not entitled to call members to the upper house to pass their measures until another general election truly showed that the colony desired such changes. Implicit in this reasoning was the assertion that the 1890 election results had not given the Liberals a mandate to carry their land and labor laws.

Ballance remained silent about his plans for nominating Liberals to the upper house, but varied rumors credited him with having asked Governor Onslow to appoint fifteen or sixteen Liberals to "swamp" parliament. These speculations were discontinued when the news broke in mid-November that Governor Onslow had resigned and would return to England. Although the governor explained his action as a necessary return to private business interests in London, a handful of Conservative members of parliament assumed that the resignation was an expression of his dissent from ministerial

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53 This view was repeatedly presented after the close of the session. Editorials in this vein appeared September 23, 1891, p. 4; September 26, 1891, p. 4, and October 2, 1891, p. 4.

54 This reasoning would seem to disregard the Liberal platform which had outlined the 1891 legislation.

55 NZH, November 17, 1891, p. 4.
policy. The Herald showered praise upon Onslow, using flowery editorials as a springboard for less kindly treatment of the ministers:

In this favoured land, where the absence of any interest in the country, the want of official training, and the ignorance of political and all other kinds of economy, as applicable to the conditions of the colony, are the chief passports to a seat in Parliament...we are indebted to the Governor for showing what are the capabilities of his position, and how much good may be done by tact and kindness directed towards the achievement of a really important end.57

When Ballance toasted the governor at a New Zealand Journalists association meeting, the Herald conceded that the feeling in bidding Lord Onslow farewell was unanimous.58

During this period, Herald editorials evidence that the newspaper's writers were completely unaware that Ballance and Onslow had completed unsatisfactory negotiations on the nomination of Liberals to the council before the governor's departure. If the Herald had known of the differences existing between the premier and the Crown's representative, it seems doubtful that a leading article appearing in December would have been published. The Herald admitted at that time that even though the Liberal proposals had been disagreeable to the governor, he would have had to stay within the lines

56 Onslow later became Parliamentary Under-Secretary for India. In 1903, president of the Board of Agriculture, he was made a Privy Councillor. He was chairman of committees of the House of Lords from 1905 to 1911, retiring because of ill-health and dying soon after. See DNZB, II, 135-136.

57 NZH, November 17, 1891, p. 5.

58 NZH, December 22, 1891, p. 4.
of his office:

He must allow to his Ministers the entire responsibility of the government of the colony, and when they are placed in power by Parliament, he must be guided by their advice in all matters in which they have a right to advise him. We are not of the Ministerial party, and strongly object to their land and taxation policies, but we should have regretted very much if the Earl of Onslow had given any occasion to the Ministers to say that he had acted unfairly or disloyally to them, or had done anything to thwart or annoy them."

Unbeknown to the "Herald," the governor had both "thwarted and annoyed." Before Onslow resigned, Ballance had requested that he appoint twelve members as the least number necessary to allow the government to be represented fairly in the second chamber and to enable the council to perform adequately its legislative functions. The premier supported his request with the arguments that the government's strength in the upper house had generally been represented by an adverse vote of eighteen to five; that since the appointments made by Onslow upon the advice of Atkinson, six councillors had died, one vacationed without formal leave of absence, and that it was obvious that several members were unlikely to attend the 1892 session because of old age. However, Onslow refused to appoint more than eight men to the council, and the ministers declined to accept this reduced figure, preferring to wait for negotiations with Onslow's successor.

59Ibid., p. 4.

The announcement of the appointment of the Earl of Glasgow (David Boyle Glasgow) as governor of New Zealand came from London in early February, 1892. As Onslow left the colony on February 23 and Glasgow did not arrive until June 7, two weeks before the opening of parliament, there was an interim when there were no positive developments in the legislative council dispute. The Herald devoted this recess to summarizing its stand. The council, according to the newspaper, was fully manned and evidenced no sign of weakness; party appointments would be inexpedient and contrary to official custom. A new line of argument centered on the contention that the measures introduced by the ministry in 1891 had been crudely prepared and demanded polishing before they were brought up again.

After the Herald became aware that some exchange had taken place between Ballance and Onslow (the correspondence was not laid before the House of Representatives until August) the newspaper switched to prophecy. At first it maintained that the new governor would also decline to make the requested appointments, but that the government would again submit its measures to the council, expecting rejection.

61 David Boyle Glasgow (1833-1915) served as New Zealand governor from June, 1892, to February, 1897. A retired army captain without previous colonial service, he was a well-liked official. His term was unmarked with dissension after the settlement of the council dispute. See DNZB, I, 302-303.

62 NZH, February 10, 1891, p. 5.

63 Ibid., February 6, 1892, p. 4.
and calculating that this would constitute useful grounds for the next election. In May, the columns of the Herald repeated the assertion that the ministers would take the stand that the governor either honor their request for appointments or accept their resignations.

The Herald commenced the month of June with an attack upon the ulterior motives of the Liberals:

The whole blame in the matter must be thrown upon the Government. They alone are responsible for Lord Glasgow finding himself...the moment he assumes office, in a false and awkward position. From the moment of ascension to power they must have seen the conflict between the House in which they are in a majority and the one in which a hopeless minority was inevitable.... They forced on the crisis deliberately for the purpose of raising a howl against the Legislative Council.... The real truth is that many bills were introduced in the House of Representatives and carried through that branch with well-feigned earnestness and enthusiasm, the Government knowing all the time that there was not a ghost of a chance of sanctioning by the Council.

In the same editorial, the Herald departed on a line of editorializing which pervaded its columns throughout the 1892 session: that the ministry, if sincere, would have resigned when Governor Onslow refused its advice. Linked with this contention was the anticipation that the ministry would do nothing to jeopardize continuance in office if Glasgow refused to make all the appointments requested. The Herald speculated that Ballance would accept from Glasgow what he

64 Ibid., February 26, 1892, p. 4.
65 Ibid., May 3, 1892, p. 4.
66 Ibid., June 1, 1892, p. 4.
had refused from Onslow—the nomination of a reasonable num-
ber of partisans to seats in the council.67

(v)

Soon after Lord Glasgow's arrival in New Zealand,
Ballance requested him to call twelve new members to the
Legislative council. Glasgow studied the original petition68
Ballance had presented to Onslow and read a confidential
memorandum left by the former governor.69 Following the
course of his predecessor, he declined to appoint twelve
councillors, but offered to accept nine of Ballance's
nominations. Again the premier refused to accept the reduced
number.

The correspondence that followed between the governor
and the premier, made public in August, contained a detailed
examination of the composition of the upper chamber. Asked
for a breakdown of division lists in the session of 1891,
Ballance replied that on the critical issues the government
had had the support of only five members and two of these
did not invariably vote with the ministry. Since the ses-

67Ibid., p. 4.

68The strength of the council had been diminished by one death occurring after Onslow's departure.

69The memo had also been submitted to Ballance. In summarizing the whole dispute for transmission to the Coloni-
al office, Ballance noted the memo included an extract from a Wellington opposition newspaper with reasons for the gov-
ernor's not accepting the advice of the ministry.
sion, one of the five had left the colony and one would be absent in 1892 because of ill health. Ballance urged:

The addition of 12 Councillors would give the Government the hope of 15 votes; though this would still leave the ministers in a clear minority, it would insure full discussion of their measures. The addition of twelve members would raise the numerical strength of the council to 47. The ministers respectfully submit that a following of fifteen or sixteen is not an undue strength for the government to possess in a Council of that size.

Glasgow replied that his interest was in the fundamental strength of the parties, not in mere support, since he had to be certain that the liberties of the council were not infringed in order to meet party exigencies. He requested Ballance to supply him with information on the number of appointments to the council by "liberal or advanced" governments and by "conservatives or moderates." Ballance's answer asserted that the makeup of the council at that time consisted of nine councillors appointed by "liberal or advanced" ministries, and twenty-six by "conservative or moderates." However, the premier maintained that this breakdown threw little light on the strength of the parties in the upper chamber since, having been appointed for life, many members subsequently changed their politics, "almost

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71 Ibid., A-5.
72 Ibid., A-7.
73 Ibid., A-7.
Invariably in the direction of conservatism.\textsuperscript{74} Glasgow not only refused to give the same weight to the voting record of the councillors as to the circumstances of their appointments in reaching his decision, but he contested Ballance's groupings of basic liberal and conservative representation.\textsuperscript{75} Asserting that there were twenty-two councillors appointed by Conservative premiers and twelve appointed by Liberal governments,\textsuperscript{76} the governor concluded that on that basis, nine was the largest number he could offer. Ballance's reply was direct:

Ministers respectfully submit that the Governor, being neutral in politics, is in no way permitted by the spirit of the Constitution to do anything that will prevent the feeling of the country from being expressed in legislation. Indeed this would be a dangerous doctrine, keeping in view the friendly relations that should exist between the colony and the Mother country, that the representative of Her Majesty should consider it to be his duty to thwart the people of the colony in giving expression to their feelings and opinions.\textsuperscript{77}

Glasgow then suggested forwarding Ballance's reply to the secretary of state for colonies for a final decision and the premier agreed, urging that the entire correspondence on the subject be sent. It was dispatched August 8 and six

\textsuperscript{74}Ibid., A-7.

\textsuperscript{75}Ibid., A-7.

\textsuperscript{76}Ballance had included a chart showing councillors and the politics of the appointing premiers. The list extended back to Stafford's ministry in 1869. The conflict in interpretation evidently resulted from personal evaluations of the political shadings of past ministries.

\textsuperscript{77}Appendices to Journals, A-8.
weeks later Glasgow received a cabled answer from Lord Knutsford:

I have carefully considered your dispatch, and appreciate the difficulties of your position, but I have no hesitation in advising acceptance of your Responsible Advisers' advice. It does not appear to be a case of swamping the Council.

Division lists should be considered rather than politics of the Premiers originally nominating members.  

During the time that Ballance and Glasgow were negotiating, only vague glimmers of the progress of the council dispute reached the public. Since the correspondence was not formally presented to the House of Representatives until mid-August, the winter was a time of speculation. The Herald at first argued that Ballance's refusal to accept nine appointees showed his desire to make the council a "mere echo of the House majority." Later the paper voiced the conviction that Ballance was simply waiting for the council to kill a policy measure and then use the obstruction as grounds for a dissolution of parliament. In all of its editorials on the subject, the Herald evaded comment on the fundamental argument of the Liberals: that the responsibility

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78 Secretary of state for colonies, Lord Knutsford, to the Earl of Glasgow, September 26, 1892. Appendices to Journals, A-9.

79 Pressure had come from both parties for Ballance to produce the correspondence on the dispute. Sir George Grey led in the questioning on the matter August 17 and Ballance agreed to lay the complete memoranda forwarded to Knutsford before the house. P.D., LXXVII, p. 73.

80 NZH, June 24, 1892, p. 4.

81 Ibid., July 12, 1892, p. 4.
of appointments to the council should have rested with the responsible ministry and that the governor's refusal to accept its advice was in derogation of the rights and privileges of a self-governing colony. The newspaper continued to ignore this issue after the advice from the colonial office had arrived in late September:

There is no doubt of the direction of the Secretary's decision. It pushes further in the direction in which the colonial office has been travelling for a good many years. The rule has been to interfere as little as possible in colonial affairs, and to insist upon our settling all our own problems by the machine at our command.... Looking at this special case, the secretary sees that it is a mere matter of a short time when a demand for 12 members to the Legislative Council would be as good and fair a demand as the request for 9 now. He must assume that the Ministers represent the majority of the House and that the majority of the House represents the majority of the people.

Although the issue of colonial self-governance was minimized by the Herald, a subsequent paragraph in the same editorial hints at the ramifications of the decision:

He (the Secretary) says that we must stew in our own juice; we must take the responsibility of having put in office a Ministry which demands something that is wrong and monstrous. If they lead us into a wrong course then we must just find that out for ourselves and remedy the evil ourselves.

The session of 1892 ended on October 11. Although Ballance did not request any appointments until after

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Ballance had stressed this point in his correspondence with the governor and repeated it during two interviews with Herald reporters, July 4 and August 1, 1892.

NZH, September 27, 1892, p. 4.

Ibid., p. 4.
parliament had recessed, the effect of the colonial office
decision was to tame the fighting spirit of the upper chamber.
With the exception of the defeat of the Electoral bill, it
was a fruitful session for the Liberals. Their land bills
were carried, their taxation measures were successful, a de-
partment of labor was established, and further labor legis-
lation enacted. A week after the session's end, Ballance
sent a request to Glasgow, and twelve councillors were ap-
pointed immediately. Four of the new members of the upper
house were laborers: a foreman printer, a compositor, a
boiler-maker, and a storeman. A Liberal writer described
their nomination and appointment:

Their appointment was a handsome acknowledgment by
the Liberal government that labour had a right to be repre-
sented in all branches of the Legislature. It is one of the
triumphs of labour, and it cemented the bond between the
Liberal Party and the Labour Party.86

Commented the Herald:

It is, of course, impossible to predict the result of
this new infusion of blood into the Legislative council, but
if each succeeding Ministry is to possess the power of
flooding that Chamber with its nominees, the time cannot be
far off when the Council must either be mended or ended.87

(FVI)

Frequently during 1893, the Herald argued that it

85Supplement to the New Zealand Gazette, October 16,
1892.

86Drummond, p. 171.

87NZH, October 17, 1892, p. 4.
would favor "mending the council" by making it elective.\textsuperscript{88} The paper watched with silence when the two houses worked in harmony and cheered when the council took a stand of its own, but the climax of the inter-house dispute had passed. Although the Liberals did not have a clear majority in the upper chamber until 1899,\textsuperscript{39} there was little effective opposition from that quarter after 1892.

In arguing for an elective upper house,\textsuperscript{90} the \textit{Herald} stated that the problem facing New Zealand was whether the country was to be governed by one house of legislation or two.\textsuperscript{91} With their success in 1892, the Liberals reduced the Legislative council to a secondary position in New Zealand's bicameral government. The upper house never regained its former place of importance, becoming instead little more than a rubber-stamp to the House of Representatives, until it was 

\textsuperscript{88} Soon after Ballance's success in the council dispute, the \textit{Herald} had suggested it would support an elective council, since it would be less a tool of a political party. See \textit{NZH}, October 7, 1892, p. 4.

\textsuperscript{39} Lipson, p. 357.

\textsuperscript{90} The \textit{Herald} supported a program introduced by the National Association (an Auckland group supporting the Conservative party) to make the council elective. No step was taken toward this end on a government level until 1912, when the Reform party found the upper house packed with Liberals. A measure was carried to near-success, then delayed to pacify a wartime coalition ministry and finally shelved after the end of the war.

\textsuperscript{91} \textit{NZH}, January 30, 1893, p. 4.
finally abolished in 1950,\textsuperscript{92} when its death aroused neither organized opposition nor great interest. An American observer characterized the story of New Zealand’s upper house as following the dictum that a second chamber is superfluous if it agrees with the first and obnoxious if it disagrees.\textsuperscript{93}

There is doubtless some inaccuracy in terming the Liberal policy toward the Legislative council as pure "reform." True, the Ballance government was successful in reducing the life tenure of councillors to seven-year terms and in making the speakership of the upper house an elective office. If these changes brought council into closer harmony with the political sentiment of the nation, they were also a part of the action that destroyed the council’s independence. Shorter terms of office coupled with the acknowledged right of a premier to determine the number of the appointments to the upper chamber resulted in the future dependence of the legislative council upon the lower house majority. In addition to laying the basis for the council’s mirroring the party positions in the lower house, Ballance’s success in the appointment controversy conclusively

\textsuperscript{92}Contrary to the alignment of the nineties, it was a Conservative party that abolished the upper house. The National party was returned to office in 1949 after fourteen years of Labour supremacy which had sent many laborites to the council. What little appeal the council might have possessed for the Conservatives was thereby lost and abolition was quietly accomplished by the Legislative Council Abolition Act, 1950. See \textit{New Zealand Official Yearbook}, p. 15.

\textsuperscript{93}Lipson, p. 139.
subordinated the governor to the ministry's advice.

Thus "reform" of the Legislative council was actually its reduction to a futile and ineffective second chamber. Had the upper house been constituted more in keeping with modern democratic form, the Liberals would have been open to the charge of adversely distorting bicameralism. Instead, the council's reduction to impotence has come to be regarded "part of the story of how New Zealand democratized its institutions."94

94Ibid., p. 356.
CHAPTER IV

THE LIBERAL PROGRAM: LAND

(I)

New Zealand, when you get down to its roots, is a pastoral and agricultural country; she is butter not steel; grass not petroleum.\(^1\)

These few lines, written in 1945, summarize New Zealand's character. Their author noted that the dominion was populated not merely by people, but by thirty-two million sheep, four-and-a-half million cattle, three-quarters of a million pigs, and a quarter million horses. He asked, "How did she get that way?"\(^2\)

The answer to the question is found in the profitable use New Zealand has made of her productive land since the turn of the century. It was to land--its uses and ownership--that public attention was directed in 1890. An inseparable part of New Zealand history, land questions have been mentioned in sketching the colony's nineteenth century development. Reeves, who dealt with the entire Liberal program in his State Experiments in Australia and New Zealand\(^3\), singled

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\(^1\) New Zealand Department of Internal Affairs, Historical Branch, *Introduction to New Zealand* (Wellington, 1945), p. 79.

\(^2\) Ibid., p. 79.

\(^3\) Ibid., p. 5.
out the land issue for particular emphasis:

From the beginning it has been the vital and living issue in public affairs, the real dividing-line of parties, the key to more struggles, changes, maneuvers, and intrigues than any half-dozen other questions. Between...1840 and the rise of trade unionism some fifty years later, it was almost the one enduring cause of difference acute enough to make men feel intensely, to make class hate class, the poor distrust the rich, and the rich dread the poor....The concentration of population in the great cities of Australia, the rise of a species of socialism in New Zealand, the easy victories gained by Protection in nearly all the colony—these can only be studied and understood in the light of the story of land settlement as affected by the enforcement of laws, the want of laws, and the evasion of laws.4

The bulk of New Zealand's best land was held in large freeholds by 1891, locked up in underworked holdings.5 The Liberals had drawn much of their support from the landless and from small farmers and came to power pledged to break the economic deadlock by ending land monopoly and opening the way for closer settlement.

Earlier political disputes over land had centered on the question of price. Wakefield's "sufficient price" had been retained only in Canterbury province, South Island,6 but the system had been distorted there in the seventies when railway expansion and the boom years made forty shillings an acre no longer a "sufficient price" in the Wakefieldian sense:

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4Reeves, State Experiments, I, 193.
5Condliffe, p. 181.
6Land was sold at forty shillings an acre. There was free selection and no area limitation or settlement conditions.
The people very foolishly neither raised this price nor imposed settlement conditions upon purchases. Between 1872 and 1878 the whole of the agricultural land in that part of New Zealand passed away from the State; and the ruinous collapse which followed may be regarded as the end of the completest trial of selling land at a high uniform price without settlement conditions.⁷

Elsewhere, Wakefield's scheme of high land prices had been superseded by Sir George Grey's cheap land regulations of 1853 which had lowered the price to five shillings and ten shillings an acre. No settlement conditions had been demanded nor was a limit placed on the area one man could buy,⁸ and as a result great blocks had been acquired.

An auction system for the sale of rural lands had been inaugurated in 1858 and blocks of not more than half-a-square mile had been sold at a minimum rate of five shillings an acre.⁹ Before their abolition in 1876, the provinces had administered the sale of land and enjoyed the revenue. The dissimilar conditions in North and South islands have been described: saleable land in the north was scarce—locked up in forested areas or retained in Maori hands;¹⁰ land sold in the south brought six times as much as that on the Auckland market. Hence the southern

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⁷Reeves, State Experiments, I, 214.

⁸Simkin, p. 118.

⁹Reeves, State Experiments, I, 215.

¹⁰As long as wool was the chief exportable commodity, there was limited interest in the North Island area. Not until refrigeration made small holdings profitable did the rush for land spread to the north.
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provinces had prospered while northerners faced insolvency. After 1878, town and suburban land had continued to be auctioned at high upset prices. Rural land, divided into first, second and third classes, had been applied for, rather than sold at auction.\(^{11}\) Prices had risen with the minimum set at £10s an acre.\(^{12}\)

The distortion of a system of pastoral leases had added to New Zealand’s land problems. Yearly grazing leases of blocks of one square mile had been adopted in New Zealand as soon as settlement began. Squatters agitated for longer licenses and obtained rights to fourteen-year leases in 1847.\(^{13}\) Rents depended on the sheep-carrying capacity of areas leased. During the fourteen-year-term, leaseholders had pre-emptive right of purchase. If the property was not sold at the expiration of the lease, there was a right to a further term. Favorable leasehold terms and a climate friendly to sheep-raising\(^{14}\) had attracted squatters from New South Wales and Tasmania. They taught new settlers from England "to look to wool and meat, rather

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\(^{11}\)Cash purchases were unconditional, though no selector could buy more than a square mile of first-class land or 2,000 acres of second-class.


\(^{13}\)Ibid., p. 226.

\(^{14}\)The merino sheep was brought to New Zealand from Australia. The New Zealand climate meant a wool production double that of the same breed in New South Wales.
than oats and wheat, for profit and progress,"\textsuperscript{15} and in a short time, most of east and central South Island was leased in runs of 10,000 to 100,000 acres to grazing tenants.\textsuperscript{16}

Sheep-raising had demanded extensive pasture. Thus, some "colour of necessity was given the aggregation of land in large areas by the overwhelming importance of wool in New Zealand's economy before the eighties."\textsuperscript{17} But pastoral privileges had been misused. Flock-owners had freely exercised their special right of purchase without bringing any land under cultivation\textsuperscript{18} or opening it for additional settlement. Purchases had been shrewdly spotted so that a man could control vast areas:

Wide stretches of leasehold were blotched, spotted, and tattooed with blocks of freehold in such a way as to bewilder and baffle would-be purchasers....In New Zealand this was nicknamed "spotting" or "gridironing" from the oblong shape of the alternate sections bought.\textsuperscript{19}

"Dummyism" was a land acquisition device which had been employed by both squatters and free selectors. After limitations were placed on the amount of land which could be purchased, men bought holdings in the names of children, servants or friends. Speculators had bargained with both

\begin{enumerate}
\item Reeves, \textit{The Long White Cloud}, p. 184.
\item \textit{Ibid.}, p. 184.
\item Condliffe, p. 142.
\item As late as 1857 only 50,000 acres of South Island land were under tillage.
\item Reeves, \textit{State Experiments}, I, 234.
\end{enumerate}
leaseholders and freeholders, coercing them to pay high prices for strategic blocks they would need to keep their runs intact.\(^{20}\) During the boom period of the seventies, speculators had taken advantage of the comparatively cheap land prices to carry on a lively business with genuine settlers.

After 1882, less land had been purchased for cash than was taken up under a deferred payment system and a newly-introduced tenure—the "pseudo-perpetual lease."\(^{21}\) Under the deferred payment scheme a selector could choose 640 acres, pay twenty-five per cent immediately and the balance within ten years.\(^{22}\) Perpetual leases had been introduced by Liberals who fought for a discontinuation of further sale of Crown land for cash. Had they had their way, it would have been a "lease forever," as the tenure's name implied. Freehold advocates insisted on a clause giving holders the right of purchase.\(^{23}\) Limitations of 640 acres of first-class land and 2,000 acres of second-class were placed on land available under this tenure. By 1890 a million acres had been taken up in this way.\(^{24}\)

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\(^{20}\)Ibid., p. 235.

\(^{21}\)Ibid., p. 240.

\(^{22}\)The price was twenty-five per cent higher than had the land been purchased for cash.

\(^{23}\)Rental was five per cent on the unimproved value of the land. Revaluation was to be made after thirty years. See Reeves, *State Experiments*, I, 243.

\(^{24}\)The tenure was abolished in 1892. By 1901, three-fourths of the land let under the perpetual lease had been turned into freehold.
A scheme of village settlements had been attempted in Canterbury in 1874 to find temporary employment for state-aided immigrants. Blocks of government land were sectioned into small plots and rented for low fees. Intended only as a stop-gap measure, the settlements were discontinued in 1876. But ten years later, Ballance, then minister of lands, introduced a similar plan on a national basis. Blocks of national land in twenty- and fifty-acre sections were leased to groups of settlers with loans granted for initial improvements. Tenure was to be leasehold without right of purchase and the rental rate was set at five per cent. Altogether, 2,200 selectors were placed on the land under the village settlement plan. Some sites were poorly selected, and several Auckland area settlements failed as a result. Elsewhere the system had been successful. After the Continuous ministry had regained office in 1887, it halted additional settlements and reinstated the right of freehold to land taken up under the plan. As a result, some of this land found its way into the hands of speculators. In addition, absentee ownership and the acquisition of land by big companies increased as the depression continued and these abuses came to be regarded by the landless

26 *Reeves, The Long White Cloud*, p. 264.
27 *Reeves, State Experiments*, I, 313.
as evils equal to individual monopoly. 28

Twelve million acres were held under pastoral lease by the beginning of 1891. Of this total, two-and-a-half million acres were in the hands of thirteen sheepmen. 29 These pastoral leases represented forty per cent of the total land separated from the Crown. 30 More important to land reformers than pastoral monopoly was the total acreage in the hands of a few large freeholders. Seventeen million acres of freehold and three and a half million acres of leasehold were held by 584 persons in 1891. 31 None of them held fewer than 5,000 acres. Reeves described the land inequalities facing the nation as the product of selling land too cheaply, not limiting the area a man could buy, and not regulating the uses made of the land after its purchase. 32 He described New Zealand's landscape at the beginning of the liberal period:

The people occupied the cities, towns, and suburbs; large patches round these and round the mines were closely settled; there were fairly extensive strips of farm settlement along some of the coasts, and long ragged ribbons of it stretched across the country corresponding roughly to the greater lines of communication. Of the open expanses inland some lay waste and empty; the rest was held by

29 Ibid., p. 148.
30 Ibid., p. 149.
31 Ibid., p. 149.
32 Reeves, State Experiments, I, 216.
pastoral tenants, and by the great freeholders, or their masters, the mortgage companies; and there, flocks and herds could graze for days together without being disturbed by the apparition of man.\footnote{33ibid., p. 251.}

The lack of accessible land into which to move, the unemployment born of depression, the realization of the opportunities for profitable working of small areas after refrigeration's debut, and a knowledge of land abuses all increased pressure for reforms that would make land available to the small holder. Supported in the election of 1890 by those whose attention was turned toward these issues, the Liberals regarded land as the principal issue of their administration.

(II)

The transfer of land from Maori to European ownership had proceeded steadily after 1840. The chief phases in the alienation of native lands were crown pre-emption, the relinquishment of pre-emption, and the establishment of native land courts. The Treaty of Waitangi had guaranteed to the chiefs and tribes of New Zealand the possession of their lands, but the right of pre-emption over any land the natives wished to sell was reserved to the Crown. Government purchase came to be regarded by the Maoris as less desirable than freedom to sell to individuals:

Very little land was purchased by the Crown under its pre-emptive right during the first few years. This inaction on the part of the Government caused considerable dissatisfaction among the Maoris, who by this time had
realised that their lands were a marketable commodity possessing a value previously unknown. Pre-emption deprived them of one of their principal means of obtaining money, and this circumstance was used by land speculators to foment discontent in the Maori mind.34

Crown pre-emption had been temporarily waived in 1844, a year before Grey came to the colony as governor. He immediately reinstated the right, successfully increased government purchases, and tried to reserve portions adequate for Maori needs.35 Government promises to honor Maori reserves were disregarded from 1853 to 1860 when disputes over land alienation ended in Maori-European warfare which lasted throughout the next decade. Three moves by the central government during the conflict led to an increase in the European acquisition of native land: Crown pre-emption was waived in 1862, a Native Land court was established to individualize Maori land titles, and confiscation was permitted in North Island. The relinquishment of outright pre-emptive rights opened the way for private purchasing and brought land-seekers face to face with the Maori communal ownership which had long posed a problem to the Crown. Often government agents had purchased land, later to find that they had failed to consult all the chiefs claiming ownership. In addition, rival tribes often contested government titles.36

36 Ibid., p. 117.
The establishment of Native Land courts in 1862 was an attempt to simplify native titles and thus facilitate European purchases. When first inaugurated, the aim of the courts was to reduce to ten the number of Maoris who could claim joint ownership. Eventually a system was introduced to break down all native ownership to individual land titles.\footnote{This was achieved under an 1873 act. Every Maori man, woman and child was declared an owner of land. The old tribal method of dealing with land was discarded.}

The outright confiscation of native land was restricted to a two-year period during the Maori war and was justified by New Zealanders as a means to suppress rebellion by introducing a strong European population into the disturbed North Island districts.\footnote{Smith, p. 45.} The land taken totaled 1,200,000 acres. This confiscation action was reviewed by a Royal Commission in 1926. As a result of its findings, over 300,000 acres were returned to Maoris and payment was made to certain tribes who had suffered most under the move.\footnote{Ibid., p. 154.}

Government purchasing of native lands continued after pre-emption had been waived and the right of pre-emption was revived in some North Island areas, including the King
Between 1890 and 1893, money from public works funds and special loans devoted to native land purchase amounted to £1,396,077. During the period, nearly six million acres were acquired in North Island. All of South Island, with the exception of native reserves, was acquired before 1862.

The work of the Native Land court was slow and it was often months before a title to individual property was clarified. Delay in the court's granting negotiable titles was regarded as an unnecessary block to settlement by North Island purchasers who demanded a reform of the system by the Liberals.

A commission investigating Maori land problems at the turn of the century summarized New Zealand's experience; theoretically the Crown had not purchased lands unless owners were willing to sell, but circumstances had compelled the Maoris to sell at any price. Individualization of titles had given every native the right to bargain with the Crown and to sell his portion with complete disregard for tribal needs. Too often, in bargaining, the weaknesses of...
race had been appealed to:

The sight of a Government cheque-book and the prospect of a good time at the hotels or on the racecourse or of an investment in the latest motor-car were sufficient for the majority of owners in any native block to waive all consideration, and to put their signatures to the purchase deeds.\(^{43}\)

(III)

Ballance's land policies were focused upon assistance to small farmers, correction of abuses in land transactions, and reduction of the freehold sale of Crown lands. During their first term of office, the Liberals effected a program based upon the introduction of a new leasehold system and the alteration of existing tenures, revival of village settlements, compulsory repurchase of private land, graduated land taxation, and establishment of a Department of Agriculture.

The Land act of 1892\(^{44}\) redefined the methods by which Crown lands could be alienated, consolidated the existing land laws, and outlined a new tenure called lease-in-perpetuity. The central government had inherited a disorganized body of land law when the public estate came under a single administration in 1876 and the act of 1892, whose terms were made applicable to all parts of New Zealand, culminated a series of bills aimed at uniformity.\(^{45}\)

\(^{43}\) Ibid., p. 196.

\(^{44}\) With later amendments, this act remains the basis of New Zealand's land system.

\(^{45}\) Reeves, The Long White Cloud, p. 259.
Before the passage of the act, New Zealand Crown lands had been disposed of by three principal methods: (1) perpetual lease—renewable, revaluable, and carrying the right of purchase; (2) sale on deferred payments; (3) sale for cash. In addition, pastoral leases and small grazing leases were available. Leaders of the Liberal party had gained a reputation during the eighties as foes of the outright sale of national lands. They were expected to support the adoption of a perpetual lease as the sole means of tenure under which state lands could be held. Although the total replacement of the freehold by lease tenure failed—and with it, any broadening of state ownership of land—the Liberals did make a thorough alteration of the existing methods of obtaining state lands, and these reforms were given much attention by the press.

Lease-in-perpetuity replaced the perpetual lease that had been revaluable and carried with it purchase rights. The terms of the new lease were for 999 years and tenants were to pay an unchanging annual rent of four per cent on the land's original value. There was to be no right of

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46 Grazing runs, open for selection by application, were restricted to 5,000 acres of first-class land and 20,000 acres of second-class. Rental was not less than two-and-one-half per cent of the capital value. Lease terms were for twenty-one years with the right of renewal.

47 Reeves, State Experiments, I, 321.
purchase. The conditions included personal residence during the first ten years and improvements amounting to thirty per cent of the land's value within six years. The areas to be acquired under this tenure were restricted to a maximum of one square mile of agricultural land per person. Proponents for lease-in-perpetuity argued that the occupier had a tenure as secure as a freehold, yet he could keep his capital to spend on improvements and thus genuine working settlers would live on each farm.

For the system of deferred payments, the Liberals substituted a tenure termed "occupation with right of purchase." Under this tenure, lands were held by license for twenty-five years at five per cent rental. After ten years' license holding and the fulfillment of residential and improvement stipulations, lessees could either purchase the

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48 Right of purchase had been the basis for Liberal opposition to the perpetual lease. Lease-in-perpetuity dropped freehold rights but retained the rights of sub-lease and disposition by will or mortgage.

49 Improvements included reclamation of swamp-land, bush-clearing, tree planting, fencing, wells, buildings—any improvement of the fertility of the soil. See New Zealand Official Yearbook, 1894, p. 211.


51 Reeves, State Experiments, I, 325.

52 Under deferred payment scheme, a selector paid twenty-five per cent down on a maximum of 640 acres and the balance within ten years.

53 Residence on bush lands had to commence within four years; on open land, within one. Residence had to be continuous for six years. As in the case of lands under
land at its original value or exchange their licenses for a lease-in-perpetuity. 54

Cash sales of land were retained, but conditions were attached to them delaying final title for seven years during which time improvements had to be made totalling a pound an acre for first-class land and ten shillings an acre for second-class land. 55 Thus with the exception of areas repurchased from private holders and the land set aside for special settlements, which themselves were restricted to leasehold, the Land Act of 1892 established three options for applicants for national lands: (1) cash purchase, (2) occupation with right of purchase, and (3) lease-in-perpetuity. Throughout the nineties, freehold tenure was to remain the most popular. 56

Village settlements, introduced by Ballance in 1886, but little used after the Continuous ministry returned to power, aimed at placing on the land laborers who would remain wage earners but work small allotments near cities or

lease-in-perpetuity, improvements were required within six years, amounting to thirty per cent of the land's value.

54 New Zealand Official Yearbook, 1894, p. 209.


56 During the first year after passage of the 1892 land act, 161 selectors took up 54,271 acres under conditional purchase; 126 took up 55,320 acres under lease-in-perpetuity, and 325 took up 35,785 under cash purchase. See New Zealand Official Yearbook, 1894, p. 149.
towns. Under the original village settlement scheme, there had been no right of purchase, but Atkinson's government restored this in 1887. John McKenzie, Liberal minister of lands, was more concerned with other aspects of the land problem, but under his administration some changes were effected in the village settlement plan: the tenure was restricted to lease-in-perpetuity without the right of purchase and rental was lowered from five to four per cent. The colonial treasurer was empowered to advance small sums to enable the selectors to occupy their allotments. A second program termed "special settlement associations" was provided in the 1892 land act. A small-farm association system, its terms allowed a group of not more than twelve people to select a block of land under an 11,000 acre maximum and settle it cooperatively. These blocks were to be held under lease-in-perpetuity.

The battle over the tenures during the nineties has

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57 Reeves, State Experiments, I, 301.
58 Ibid., pp. 312-316.
59 Members of the association were limited so that there would be one selector for every two hundred acres in the block. Maximum single holdings were 320 acres. During the first two years of the system 1,128 selectors took up 226,233 acres in thirty-five blocks. New Zealand Official Yearbook, 1894, p. 203, p. 211.
60 Ibid., pp. 203, 211.
been termed "a fight over the remains more than the body of
the New Zealand land," since most of the best land was al-
ready held in freeholds. A state repurchase plan was included
in the Liberal program to meet the demands for additional land
for settlement, but McKenzie's compulsory repurchase bill was
blocked by the Legislative council in 1891. The upper house
finally permitted the passage of a repurchase law with no
compulsory clause in 1892, and two years later, a compulsory
act was successful. The 1892 Land for Settlements act
authorized the purchase from private individuals of proper-
ties to be subdivided into small farms of a 320-acre maximum.
Lands so acquired were to be leased-in-perpetuity at five
per cent rental and the government was restricted to a yearly
expenditure of £50,000 for repurchasing land. The non-
compulsory system of repurchase authorized in 1892 brought
very little additional land under government control, and
much of the million-acre area offered for sale to the govern-
ment was poor land for which an excessive price was asked.
The failure of the 1892 act to make additional land available
for small settlements figured in the later success of the
compulsory plan.

Before the final repurchase law was passed, the New

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61 Condiffe, p. 186.
62 New Zealand Official Yearbook, 1894, p. 205.
63 Reeves, State Experiments, I, 276.
Zealand government completed its most renowned transaction in private lands under the terms of the Land and Income Tax act of 1891. A clause in the tax act had provided that a landowner could compel the state to purchase his property at his own evaluation if he thought his land over-assessed. Owners of the huge Cheviot estate in South Island, an eighty-four thousand acre freehold of open grass land, objected to the 1892 tax valuation of £305,000, and trustees of the estate called upon the tax department either to reduce the valuation or take over the property for £260,000. McKenzie urged the Liberal administration to make the purchase, not only in answer to the challenge to the new progressive land tax, but so that he could use Cheviot as an example of the opportunities that existed for closer settlement. The Cheviot estate was subsequently purchased and cut into small allotments. Seventy-five thousand acres were disposed of under lease-in-perpetuity and a block of pastoral land was divided into grazing runs. Within a year, the estate’s original population of eighty had grown to 650.

64 While there was a definite limit to the amount the government could spend under the Lands for Settlements act, no stipulation had been made for lands acquired under the tax act. McKenzie borrowed from various funds to back debentures issued to the owners of Cheviot.

65 Reeves, State Experiments, I, 277-278.

66 The mansion house and 5,000 acres around it were resold to the original owners. A few thousand acres were sold for cash to reduce the original cost.

67 Reeves, State Experiments, I, 279.
Under the compulsory repurchase law, introduced by McKenzie in 1893 but blocked by the upper house until 1894, land could be purchased either by friendly arrangement or by compulsion upon the approval of a board of purchase commissioners. When any estate was compulsorily taken, the owner had the right to select and to retain a block equal to the "prescribed maximum"—1,000 acres of first-class land, 2,000 acres of second-class land, or 3,000 acres of third-class land. If no agreement could be reached between the owner and the commission, the matter went before the compensation court which declared the amount of land the government was entitled to purchase and what compensation should be paid. The land acquired by the government was cut into blocks not exceeding 640 acres of first-class and 2,000 acres of second-class land to be held by settlers under lease-in-perpetuity.

The chief objections to the compulsory repurchase scheme were that the system would involve large loans and thereby add to the public debt, that it would endanger freeholds everywhere, that it would be used to destroy the

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68 Four civil servants and a resident of the locality in which the considered estate lay constituted a purchase commission. One of the civil servants was the Land Purchase Inspector; another, the Commissioner of Crown Lands.

69 Two of the three were nominated—one from each party. The third was the Chief Justice of the colony or a judge appointed by him.

70 Reeves, State Experiments, I, 280-283.
large landowners, and that subdivided farms would be too small. North Islanders protested against the spending of government funds to repurchase private lands when large tracts of native lands were still not opened to settlement.

The Liberals did not make extensive use of compulsory repurchase; by 1900, only two estates had been taken this way. The minister of lands was limited, after 1893, to a £250,000 yearly expenditure for land repurchase. Perhaps the greatest purpose served by the system was the granting to the government of a power in reserve. No doubt the bill prompted the sale of additional lands to the government by friendly agreement, and stood as a reminder to landholders that unless land was actively worked, they could be relieved of a portion of their holdings.

(V)

The Land and Income Tax act of 1891 was the first important policy measure successfully carried by Ballance's

71 Ibid., p. 284.
72 Maori tribes still held seven million acres in North Island.
73 Condliffe, p. 189.
74 By 1902, 107 estates with 448,349 acres had been repurchased at a cost of £2,117,352. Tenants placed on these lands totalled 2,033. See Reeves, State Experiments, I, 287.
government. A substitute for the unpopular property tax, this essentially was a measure of finance. Yet couched in its terms were principles aimed solely at an alleviation of the land problem. The tax upon land had a triple object—to raise revenue, to make large landowners pay a fair share of taxation, and to bring about a gradual subdivision of the great freehold estates.

As treasurer in Grey's ministry, Ballance had introduced a land tax in 1878. When the ministry fell, Conservatives had replaced the assessment with the property tax of a penny in the pound on the capital value of all property, real and personal. Since all farm improvements were included the property taxation was unpopular among small farmers. The new land tax left personal property, improvements, and livestock tax-free. The tax was progressive, falling most heavily on large landowners, and the small holders were exempted entirely. A mortgagee was considered a part owner of the land on which his mortgage was secured and he was assessed accordingly. The land tax was a dual system of ordinary and graduated taxation. On all land valued above a basic £500 exemption, a tax was levied at the rate of a penny in the pound and graduated

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75 By contrast, many of the large tracts of the great freeholds were virtually unimproved and little affected by the property tax.

76 No assessment was levied on holdings under £550 value.
tax began when the holdings reached the value of £5,000. At that level, rates were an eighth of a penny, rising progressively until two pence in the pound was levied on estates valued at £210,000 and over. These graduated rates were paid in addition to the ordinary penny levy. Absentee owners were taxed at a rate higher than New Zealand residents. Under the original Land and Income Tax act, improvements up to £3,000 were exempted from taxation and an 1893 amendment exempted all improvements. Although included in the same measure, land and income assessments were distinct. Thus a landowner who paid on the value of his land did not pay an income-tax upon receipts from working it.

Most New Zealand historians agree that the land tax rate was too low to be regarded as a revolutionary measure. A foremost purpose of the tax was to compel owners to use their land to the utmost; if they could not use it to a point where it was profitable to pay the tax, it was anticipated that they would subdivide their holdings by selling to

77 New Zealand Official Yearbook, 1894, pp. 245-246, also Reeves, State Experiments, I, 259-264.
78 New Zealand Official Yearbook, 1894, p. 245.
80 In the fiscal year 1893, Customs netted £1,655,503 and the land tax £285,327. See New Zealand Official Yearbook, 1894, p. 129.
settlers who wanted small areas. But the rising world prices after 1895 brought a new prosperity to New Zealand farmers and contributed to the failure of land tax to provide the impetus for subdivision. In the face of good prices for crops, the land tax rate was simply too low to be a sufficient inducement to owners to lessen their holdings. Regardless of its limited success as a "bursting up" device, the land tax rivaled the lease-in-perpetuity in public discussion and attention. Reeves wrote:

The attention the land taxes have attracted is out of all proportion to this fiscal importance. Politicians have been interested in them; economists are curious about their details. Then, too, every land tax is hated and feared by the great landowners, and by the financial institutions whose interests are entwined with the landowners' not so much for its actual weight and effect as for the principle it stands for and the attacks it foreshadows. Though the comparative lightness of the tax testified to the strength of the landed interests, still, so long as a land tax is on the statute-book—and this applies especially to the tax that is graduated—the larger owners see it as a screw which only requires a few more turns to make unbearable. At any time a gust of public temper may, they think, cause these turns to be given, and the day of "bursting up" come at last.

(VI)

Establishment of an agricultural department to provide farmers with direct help and guidance was accomplished in 1892 and filled a gap described by Reeves:

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82Reeves, State Experiments, I, 364.
As for scientific instruction, it used to be said in New Zealand that prior to 1890 if anyone asked the Government for information on a matter calling for agricultural science, his inquiry was regularly sent forward to the colonial geologist. If the question had to do with insects the geologist took council of a certain telegraph clerk. If the clerk was puzzled, the twain would seek the advice of the registrar of the New Zealand university.\textsuperscript{83}

The chief functions of the department were to be education, inspection, grading, and research. Supervision and encouragement was given to the rising dairy industry. Instructors urged the use of machines and paved the way for cooperative systems. Divisions of the department included livestock (meat inspection, research in animal diseases, information on raising poultry, pigs and sheep), dairy (grading of butter and cheese), fields (improvement of farm practices and experimentation with new crops), and horticulture (advice to orchardists and inspection of fruit produce). Two agricultural colleges were established to provide advanced courses in practical farming, research stations, and experimental farming.\textsuperscript{84}

(VII)

Nine days after the 1890 election, Ballance was asked by a \textit{Herald} interviewer if a change in the country's land policy was called for. The premier's answer was

\textsuperscript{83}\textit{Ibid.}, p. 364.
\textsuperscript{84}\textit{Introduction to New Zealand}, p. 87.
emphatic:

I think that a land policy must be the leading item in the program of the Liberal ministry, and that it should be the first object of a ministry, by a land policy, to arrest the exodus of population that has been going on and attract people with capital from other parts to this colony....My opinion is that twice the number of people should be located on land than have been in recent years.85

The Herald's first post-election survey of the land question evidenced agreement with the premier: there should be a continued effort made to place occupiers who would farm small areas upon the lands available for settlement. If pursued with a strict regard to justice, legislation which would induce large landowners to subdivide their property would improve the colony's condition.86 The Herald inserted its customary note of caution by advising Ballance not to make abrupt alterations of the existing land laws. Evidently ignoring all the land abuses that had flourished before 1890, the newspaper hopefully suggested that the premier could do all he wished to do by wise administration of the laws already at his disposal.87

After Ballance's opening address in the January session of parliament, the Herald repeated its faith in the status quo:

The present Land Act has worked exceedingly well, as is proved by the fact that under it settlement is being

85NZH, December 11, 1890, p. 5.
86Ibid., December 29, 1890, p. 4.
87Ibid., p. 4.
extended, Mr. Ballance will find that it is good policy to
let well alone. We cannot assume that he means to bring in
a Bill providing for land nationalisation, and for the seizure
of the state of the "unearned increment." If he attempts
that he will find himself in trouble. 88

Early in June a Herald editorialist reflected on the
unnatural concentration of people in the cities--all enfran-
chised to vote under residential qualifications. To reconcile
the accomplished fact of universal manhood suffrage with a
belief that every man who participated in government should
have a permanent interest in the country, the writer suggested
that as many people as possible be given a real interest in
New Zealand by settling on the land. That was the end "all
true Conservatives should aim at." 89

Though agreeing in general terms with Ballance's land
aims, the Herald often clashed with the Liberals during the
next three years over the best means to attain closer settle-
ment. Graduated land taxation, the first of the Liberal land
measures, occupied editorial attention throughout the 1891
session. Since Herald criticisms of land taxation was usually
closely joined to its comments on the income tax, 90 both
subjects are included in the following chapter. Briefly
summarized, the Herald's reaction to the tax as a land reform

88 Ibid., January 28, 1891, p. 4.
89 Ibid., June 3, 1891, p. 4.
90 Both assessments came under a joint bill, The Land
and Income Tax Act of 1891.
was negative. Editorialists considered it confiscatory, a tax hitting a special class, and an injustice to purchasers who had originally bought land from the government. Any attempt to bring about a landholding system by taxation, e.g., causing large estates to be broken up, was considered doubtful.

(VIII)

The first indication of alterations in the existent tenures occurred in March when the Liberal administration attached new regulations to village settlement conditions eliminating the right of purchase.\(^1\) The Herald regarded the move as "an edge of a cloud no bigger than a man's hand that is to pour out a storm."\(^2\) Commented the newspaper:

The change made shows the direction in which Ministers propose to guide legislation. We would urge them to leave the Land Act alone, except, perhaps, to enact some precautions against dummyism. Nothing will lead to so much disturbance, grievance, and political agitation as the erection of different rights of land-holding.\(^3\)

Comparing land problems in New Zealand and England, the Herald maintained that in both places small holders had

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\(^1\) Liberals based the move on evidence they had gathered proving land companies had been speculating with lands acquired under special settlement conditions. McKenzie reported in May that out of 263 special selectors in the Wellington district, only 94 had actually settled on the land.  See NZH, May 5, 1891, p. 5.  

\(^2\) NZH, March 20, 1891, p. 5.  

\(^3\) Ibid., March 21, 1891, p. 4.
to be created by the natural and rightful process of the state granting freehold, not offering tenancy. Not only were freeholds the right of all Englishmen, but leaseholds would result inevitably in the agitation for rental reductions by "state tenants" who would regard rentals as an odious form of taxation and fight for the freehold. Thus it would be better for the government to make all land available for outright purchase. 94 Leaseholds might enable settlers to devote capital to improvements at first, but they should be encouraged to convert their leases to freeholds as soon as possible. 95

After the land bill had been killed in 1891 by the obstruction of the Legislative council, 96 the Herald asserted that the upper house had done the country good service by blocking a measure which would have converted settlers into state tenants solely to justify a Liberal notion that freeholders were objectionable and injurious to the state. 97 Ballance answered Herald queries on the land issue during an interview while he was visiting in Auckland in December:

94 Ibid., May 4, 1891, p. 4.
95 Ibid., July 1, 1891, p. 4.
96 The council's killing amendment had been one which would have added right of purchase to the lease-in-perpetuity if the tenant paid five per cent instead of four per cent rental.
97 NZH, September 23, 1891, p. 4.
With regard to the Crown lands, those remaining ought not to be sold. They are the property of the State—the property of every man, woman, and child in the State, and for the future ought to be conserved, to remain the property of the people. It would be an economic mistake to sell more Crown lands. My own view, however, is that it will take a little time to educate the people up to that point; for if we go too far in advance of the people, we will not have their support. The people must go with us.... So far as interference with existing rights in land possession, I would disturb no man's right in his private lands. I would not interfere with him beyond this—that when the State wants land it may purchase it at its market value.98

The land and income tax commanded the attention of the Herald during the first session. But by 1892 the land act establishing new optional tenures became the issue of contention. In its first editorial on the bill the Herald noted with approval that the government had given way on abandoning all rights to the freehold, but argued that too many hindrances and complications surrounded rights of purchase: cash purchase was no longer outright ownership but depended upon a needless lapse of time and the fulfillment of unnecessary improvement conditions.99 The "occupation with right of purchase" tenure could not be converted into a freehold until after ten years had passed and specified improvements made. The Herald regarded these stipulations as

98Ibid., December 12, 1891, p. 5.

99Outright title to cash purchase land was not given before seven years lapsed during which time the owners had to improve blocks to the amount of one pound an acre for first-class land and ten shillings an acre for second-class,
unnecessary blocks to acquisition of a clear land title.\textsuperscript{100} Special comment was reserved for the lease-in-perpetuity. This tenure, according to the Herald, practically brought into operation the plan of state ownership proposed by Henry George. However, the newspaper had to admit that comparison between Liberal policy and Georgian theory broke down when the low rate of the New Zealand tax was considered.\textsuperscript{101} A few days later the Herald evolved a new argument against the lease-in-perpetuity. No longer concerned with its approach to George’s theories, the newspaper regarded the real danger as lying in the state’s getting returns for only a fraction of the land’s real value. A Herald writer pointed to the anomaly of a ministry professing belief in land nationalization while supporting a measure that debarred the state from obtaining any part of an increase in value\textsuperscript{102} that might accrue in the future.\textsuperscript{103}

A major ministerial victory over the land bill occurred when the measure’s second reading was proposed on August 9, 1892. A newly-elected Conservative member, Robert Bruce, proposed an amendment:

\textsuperscript{100}\textit{NZH}, August 6, 1892, p. 4.

\textsuperscript{101}\textit{Ibid.}, September 2, 1892, p. 4.

\textsuperscript{102}Under lease-in-perpetuity an unchanging four per cent rental was paid on the original value of the land. There was no revaluation.

\textsuperscript{103}\textit{NZH}, September 17, 1892, p. 4.
That while in the opinion of the House, the Land Bill contains some useful amendments in the existing law, and should at an early date be read a second time, this House considers the extent to which the Bill restricts freehold tenure unsatisfactory and calculated to be injurious to the best interests of settlement.\textsuperscript{104}

Ballance immediately asked Rolleston, the opposition leader, whether the amendment had his sanction and Rolleston accepted the amendment as voicing the sentiment of his party. Considering this a motion of want-of-confidence, Ballance called for a division, and gained a thirty-nine to twenty-one vote victory for his government.\textsuperscript{105}

However, the \textit{Herald} still retained faith that safeguards for freehold tenure would be included in the amendments the upper house would attach to the land bill. The newspaper considered that Ballance had made a tactical error in regarding Bruce's amendment as a want-of-confidence, thus committing himself to a definite attitude toward the freehold's retention. The newspaper contended that when the inevitable inter-house committee fight was lost, by virtue of Conservative supremacy in the upper house, Ballance would have to resign.\textsuperscript{106} When the final land bill was forwarded from the house to the council the \textit{Herald} summarized its objections:

\textsuperscript{104}\textit{P. D.}, LXXVI, (1892), p. 547.
\textsuperscript{105}\textit{Ibid.}, p. 591.
\textsuperscript{106}\textit{NZH}, August 11, 1892, p. 4.
Everywhere and in every direction those who take up land are restricted and hampered by conditions and are subject to inspection day by day. For everything they are dependent on the gentlemen who may occupy the position of Minister of Lands....But what we want to call attention to is the strange fact that a Ministry, nearly all enthusiastic land nationalizers should have made the most prominent feature of the Bill, the lease-in-perpetuity, with no power of re-valuation, or of obtaining any advance in rent....We have no doubt that land taken up now at £1 will before many years be worth £50 to £100. And yet for that the Government will never get more than 9d. an acres....The remarkable thing is, that a Bill introduced to nationalize the land as far as possible should issue from the House with the most careful provision that the State shall lose, and for every, on every acre, it parts with.107

Any hopes that the Herald might have entertained for Ballance's resignation due to upper house obstruction of the land bill were useless. For before the Legislative Council had considered the land bill, Conservative power in the upper house had suffered the setback resulting from Ballance's victory in the appointment controversy. As a result, the land bill emerged amended only slightly, in satisfactory shape for ready acceptance by the house.108

In reviewing the session, the Herald termed the land bill the most important victory of the ministry. The colony's loss in land revenue under the lease-in-perpetuity

107Ibid., September 14, 1892, p. 4.

108A clause prohibiting married women from becoming licensees under special tenures was struck out in the council. A House limitation on cash sales of land at 150,000 acres was raised to 250,000 acres, and a measure stipulating that a person surrendering a lease had to wait three years before taking up a new lease was altered to a one year time-lapse.
tenure was regarded as the major fault of the new law. As for the other tenures—cash, and "occupation with right of purchase"—the Herald retreated from its earlier critical position to agree that the new system would conserve the general interest in the land:

We quite admit that there is much to be said for the new system. If any country is suited to its working, it is New Zealand, which, with its climate and rainfall, is the place for small settlements. The chief field of operations for the working of the new system will be the North Island. In the South, there is but little Crown land available, and the new Land for Settlements Act (repurchase authorization) is not likely to be effective for some time. But a large part of the interior of North Island may easily be populated by the Government parting with the land on payment of a small rental with settlement conditions.109

(SIX)

Suitability of North Island land for small settlements contributed to the Herald's support for any renewed activity under the village settlement plan. Though the newspaper recognized the scheme as a method to relieve unemployment, it cautioned against including men in village associations merely because they were without work; men for special settlements had to be carefully selected and too often under the earlier village settlement programs, shiftless and unsteady persons had been placed on the land with unsatisfactory results. Industry and some little capital, according to the Herald, should be qualifications for participation in the

109NZH, October 12, 1892, p. 4.
village settlement program. The Herald urged that no special tenures be established and that government advances\textsuperscript{110} to individual settlers be replaced by grants-in-aid to county councils for road buildings since no settlement could be successful without roads.\textsuperscript{111}

As demands for land continued and successive small settlements were established during the next two years, the Herald gave general approval. Now and then the newspaper repeated its advice that since most of the land was taken up under schemes demanding little initial outlay, government officials must be certain that settlers were of suitable disposition to work the land successfully. But as long as occupation of waste lands progressed, the Herald "felt free to confess that upon the whole, the prospect of settlement was encouraging."\textsuperscript{112}

When the final land bill emerged from parliament in early October, all lands in village settlements were to be held under lease-in-perpetuity and land to be sold by the government for special settlements was extended to 250,000 acres a year. Auckland benefits from the system seemed to

\textsuperscript{110}\textit{Under} Ballance's original plan the government could make small loans to village settlers to enable them to make initial improvements.

\textsuperscript{111}\textit{NZH}, February 19, 1891, p. 4.

\textsuperscript{112}\textit{Ibid.}, March 21, 1892, p. 4.
outweigh any tenure principles in the reaction of the Herald:

The effect of this is that special settlements can practically pick out the eyes of the land, and that only what has been rejected by them is open to the general public and there is nothing in the act to compel the Minister to sell any land under optional systems; so that a Minister of Lands, may, at his own sweet will, do all his settlement under special settlement conditions. The Minister will have a busy time in getting the Act into active operation, in which work he will no doubt have the zealous aid and cooperation of the Land Boards throughout the colony. The Auckland district ought to be a splendid field of operations, and this city should be the headquarters of several associations for the foundation of special settlements. There are many blocks in the North well suited for the working of the system, where settlements could be formed in which every settler would be an assistance to his neighbour, and where the planting of a small community would mean the establishment of a school and the making of roads.\textsuperscript{113}

\textit{(X)}

A week before parliament met in June, 1891, McKenzie had outlined plans for the measure that would authorize government repurchase of private lands. In an early examination of the proposed bill, a \textit{Herald} writer termed it a delicate and dangerous operation but stipulated that his newspaper was not committing itself in opposition.\textsuperscript{114} Warning that parliament must not do any injustice, the editorialist maintained that the house could not pass a measure to repossess land at less than market value\textsuperscript{115} against the owner's will.

\textsuperscript{113}\textit{Ibid.}, October 15, 1891, p. 4.

\textsuperscript{114}\textit{Ibid.}, June 3, 1891, p. 4.

\textsuperscript{115}\textit{Ibid.}, p. 4.
Any sudden action would be dangerous:

The breaking down of the large estates must be a gradual process. We cannot afford agrarian revolutions. "Bursting up" policies are too risky for us. It might be permissible to assist the process of splitting the large estates by a graduated land tax on the larger areas, or by regulating succession, but to start any Ministry on a career of land-purchasing would certainly end in disaster.116

The Land for Settlements bill, embodying the repurchase powers, shared the fate of the Land bill in the session of 1891. During the course of debate on the measure, McKenzie had argued that repurchase was most needed in Otago and Canterbury, South Island provinces, where all the best land had already passed into private hands. By the end of the session the Herald disagreed with three aspects of the bill: (1) direct government dealing with private owners was open to jobbery, (2) repurchase plans would mean additions to the public debt, (3) Otago and Canterbury were not the colony and Auckland's interests were bound up in any move that meant the government's plunging deeper into debt merely to change the occupation of land in two South Island provinces. Good land was still available in North Island, especially in the Auckland provincial district, and the government's plan seemed to the Herald a proposal to stop the progress of settlement in North Island by buying private estates in South Island with borrowed money.117

116 Ibid., p. 4.
117 Ibid., October 29, 1891, p. 4.
The Herald responded to the government's action in acquiring the Cheviot estate late in 1892 with skepticism about the expenditure involved:

We presume that the Government have satisfied themselves that the land is in all respects fitted for settlement and that they see their way to make the transaction a profitable one for the country. Otherwise it may lead to grave embarrassment; for it is quite certain that the Government are not in a position to issue debentures† to a very large amount.119

Rivalry between north and south and fear that the North Island was being slighted again figured in the Herald's reaction:

It is, undoubtedly, the case that the land available for new settlement in Canterbury is almost exhausted, and that pressure has been put on the Government to acquire some, for the Canterbury people do not like to see population drifting away to the North Island. But the acquirement of land by the Government from Europeans is a very dangerous process. It is questionable also how far the Government ought to endeavour to divert settlement from land which they now own, which is returning nothing so long as idle, and which it is to the interest of the colony should be occupied as soon as possible. Besides, if the Government expend considerable sums of money in the purchase of land which has been in the occupation of Europeans, or issue debentures, to a large amount, they will be crippled in the purchase of native land.120

In its January monthly summary for London circulation, the Herald attempted to explain Cheviot's purchase to Britons, "who probably thought it singular that in a colony

† Under the repurchase law land could be paid for with money, government stock or debentures, or Crown lands in exchange for area acquired. See Reeves, State Experiments, I, 280.

119 NZH, December 24, 1892, p. 4.
120 Ibid., December 24, 1892, p. 4.
with twenty million acres still in the possession of the Crown, the Government should purchase land back from Europeans.\textsuperscript{121} The feeling was general, the \textit{Herald} reported, that in some cases where large areas of land had passed into individual hands in early days government repurchase would be advantageous as long as the land was suited for smaller agricultural settlements.\textsuperscript{122} Concluded the editorial:

There are not likely to be many such transactions as this. The Government have not funds to make large purchases, and besides, they would not think of such a thing unless in Canterbury and Otago, where very large estates were bought from the Crown in the early times, and have been used entirely for pastoral purposes, whereas large proportions of them are fit for agriculture and for small holdings. The result of the experiment will be closely watched.\textsuperscript{123}

Striking out in diverse directions, the \textit{Herald} branded the repurchase powers as a socialistic weapon of attack upon large estates, and also a tool that could be used to serve the interests of the big landowners:

It is well known that possession of large estates is a crime against Socialistic maxims of some members of the administration, and although the means of acquiring such properties on a large scale be wanting, there is no saying to what lengths the desire of profit, pecuniary and political, may urge an impecunious or a fanatical Ministry strongly supported in Parliament....The interests of the landholders could be served by the adoption of that course. That such is the opinion of some of them was manifest...\textsuperscript{124}

\textsuperscript{121} \textit{Ibid.}, January 27, 1893, p. 4.
\textsuperscript{122} \textit{Ibid.}, January 27, 1893, p. 4.
\textsuperscript{123} \textit{Ibid.}, January 27, 1893, p. 4.
when Ministers were virtually invited to acquire the free-
held lands of Canterbury, ostensibly for the promotion of
settlement, but no doubt partly as a measure of relief to
the owners.\textsuperscript{124}

The \textit{Herald} found some comfort in the fact that the
means at government disposal\textsuperscript{125} were insufficient to allow
wide dealings in purchasing land from those who thus might
be freed from debt and embarrassment. United States experi-
ence—a frequent example of corrupt democratic practice—
was cited in this case:

It need not be pointed out that it is no function
of any State to dabble in land speculations, the objects to
such a trade being obvious and the dangers to it so great
that men experienced in public affairs never could be led
into a course so hazardous, even by expectation of an over-
flowing exchequer or by acquisition of the means too fre-
quently employed for creating and maintaining a favorable
majority. For all that it is not to be forgotten that the
tendencies of democracy are to corruption and extravagance,
as evidenced by the history of the United States...whose
state of affairs must be similar to all government in which
ruling classes having nothing to lose but everything to gain
by lavish expenditure of public money.\textsuperscript{126}

An amending bill adding compulsion to the Land for
Settlements measure was introduced by McKenzie late in the
1893 session. It passed through the house but was killed
in the council. The \textit{Herald} dismissed it as a measure "to
give the Ministry the power to put any man out of his

\textsuperscript{124}\textit{Ibid.}, January 2, 1893, p. 4.

\textsuperscript{125}At this time, the amount that could be spent
annually on repurchase was fixed at £50,000. This was in-
creased to £250,000 when compulsory clauses were added in
Also Reeves, \textit{State Experiments}, I, 279.

\textsuperscript{126}\textit{NZH}, January 3, 1893, p. 4.
freehold, house, and home, if it was decided certain other persons required it for settlement purposes.127 During the election campaign of 1893, farmers were cautioned by the newspaper that the compulsory bill would mean that every man would henceforth own his freehold at the simple will of the Minister of Lands who could take it from him at any time.128

The interests of Auckland and the Herald's fear that native land purchasing would be slighted by the transactions in South Island colored much of the newspaper's criticism of the plan for government repurchase. This is best evidenced by an editorial appearing in May, 1893:

At the present time there are several "Cheviot estates" in this provincial district. They (ministers) have paid over £3 an acre for the Cheviot estate. They could purchase the very best of the King country consisting of far better land, for not much more than the same number of shillings per acre.129 We hear from the South about detachments of surveyors all over the Cheviot estate, laying off farms and roads. All is energy and activity there. Here surveyors cannot be obtained....It is quite likely that Cheviot will be settled, and have its railway made before the Government do anything to settle their own lands in the Province of Auckland. So much more does Canterbury balk in the eyes of the Ministry than Auckland! The only conclusion is, that the Government supporters in Auckland are dumb dogs, who dare not even bark at their ministerial leaders....The government prefers to do land speculation in Canterbury at the cost of North Island and to its neglect.130

127Ibid., October 9, 1893, p. 4.

128Ibid., November 22, 1893, p. 4.

129This area was Maori land over which the government pre-emption had been reinstated.

130NZH, May 10, 1893, p. 4.
The opening of Maori lands for settlement was an issue receiving more *Herald* attention than any Liberal measure which dealt with European ownership. Two chief obstacles to acquisition of native land were repeatedly assailed: the Crown's retention of pre-emptive rights in certain North Island areas\(^{131}\) and the maze of legal intricacies prohibiting direct transactions.

*Herald* editorials on native lands appearing early in 1891 were concerned with a Liberal proposal that the government should act as an intermediary through which natives could dispose of their lands on leasehold to Europeans. Rentals would be collected by a central agency and forwarded to tribal trustees. The *Herald* disapproved, contending that state agency would be just as odious as state ownership and the plan would create wealthy native landlords over European tenants. There was no better way, asserted the *Herald*, to utilize native lands than by converting them into European freeholds.\(^{132}\) When a Royal commission was appointed, in May, 1891, to study Maori land problems, the *Herald* expressed the hope that the commissioners' recommendations would simplify the methods of ascertaining Maori titles

\(^{131}\)This included the rich King country in the center of North Island. Later the area became the nucleus of the dairy industry.

\(^{132}\)*NZH*, April 4, 1891, p. 4.
and placing native lands on the market. The newspaper clearly stated its position:

We have long been of the opinion that the best way to deal with the problem of native lands would be to see that the tribes were furnished with abundant lands for reserves, and that as regards all the other lands the natives should be allowed to part with them as rapidly as possible. The best legislation for the country and for the natives themselves will be that which facilitates their selling their lands they own beyond the reserves.  

A Native Land bill introduced in August brought instant approval from the Herald. By the terms of the measure, the Crown would have had power to throw open all native lands in the King country for settlement even if the natives refused to sell. The importance of the bill to the north was cited:

It is quite clear that the opening of this country means a very great deal to this part of the country. The King Country can accommodate thousands of settlers if the best parts of it are taken up for farming purposes. By its occupation we shall have access to the whole of the Mokau country, where there are extensive deposits of the best kind of coal. If a beginning is made in this work, the exodus from this part of the colony at last will come to an end.

After the bill was abandoned during the first session, the Herald, considering native land reform "the question of questions for New Zealand," bewailed the continued inaction:

133 Ibid., May 15, 1891, p. 4.
134 Ibid., August 6, 1891, p. 4.
135 Ibid., August 6, 1891, p. 4.
136 Ibid., September 12, 1891, p. 4.
If tomorrow a really good Act were passed, which would enable natives to sell land as freely as Europeans can sell land, the colony would go ahead with a bound. But once again, in respect to native lands, at the end of a session, everybody throws up his hands, and abandons himself to the gospel of despair.\textsuperscript{137}

During 1892 increased government purchasing was undertaken in the King country but parliament failed to produce a bill providing for general native land reform. The Herald grimly warned that the progress of the colony would stop unless provisions were made for more rapid acquisition of Maori lands by Europeans. The Herald asserted that the ministers were sufficiently powerful to carry all bills they desired and thus the failure of native land reform reflected their disinterest.\textsuperscript{138} Since the government stood in the way of private purchase in the areas over which it retained preemptive rights, the responsibility for stagnation rested with the ministry. In the Herald's opinion something had to be done to rid native ownership of its complications so that settlers could more easily acquire Maori lands.\textsuperscript{139} The Herald reasoned that the government was caught in its own net, since in insisting on individualizing Maori land titles, they had made it necessary for their own agents to deal with 500 to 1,000 natives for every sizeable block of

\textsuperscript{137}Ibid., September 12, 1891, p. 4.
\textsuperscript{138}Ibid., November 5, 1892, p. 4.
\textsuperscript{139}Ibid., November 5, 1892, p. 4.
On lands where there was no pre-emptive right, natives were not obligated to bring lands into court for title ascertainment and, without the title, no European-Maori dealings were possible. Hence lands lay waste, paying no taxes, yet unavailable for settlement.

Herald writers commenced agitation for native land reform early in 1893. They outlined a desired bill: all owners should be required to have rights defined and thus obtain clear titles; there should be a committee of Maoris authorized to sell every block of native land outside the reserves; after a year, during which natives could sell to the government or to private purchasers, a land tax should be imposed on all lands retained by the Maoris. Statements by government spokesmen before the 1893 session again raised Herald hopes for legislation that would open Maori lands:

For years we have insisted in season and out on this subject. We are glad the Government is resolved at last to make an earnest effort. There are two directions in which action is needed: vast native lands lying unused must be available for settlement as there is demand. Second, land held by natives must be subject to local taxation. Natives

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140 Ibid., November 8, 1892, p. 4.
141 Ibid., November 8, 1892, p. 4.
142 Natives had been empowered to appoint committees to deal in land sales in 1873, but formation of these bargaining groups was not compulsory.
143 NZH, January 7, 1893, p. 4. Also January 25, 1893, p. 4.
use roads and contribute nothing to maintenance. We will give the Government every assistance in our power to solve complications and make utmost possible allowance for obstacles they have to encounter.\textsuperscript{144}

The 1893 session, like those before it, failed, in the \textit{Herald}'s opinion, to make suitable native land reforms. No general measure was introduced by the Ministry although a Native Land Purchase and Acquisition act was passed. In its final form, this act provided that Maoris, if they wished, could ask the government to take possession of a block of their land and administer it in their names.\textsuperscript{145} The \textit{Herald} had wanted a similar measure resting on government initiative, not Maori consent. The newspaper considered the measure worthless since it did not require natives to participate in the scheme. Even if Maoris did turn their lands over to government administration, it was expected that they would request the land department to distribute land in leaseholds, creating the European tenancy which was obnoxious to the \textit{Herald}.\textsuperscript{146} Also during 1893, a tax bill was passed enforcing natives to pay local rates amounting to fifty per cent of the assessments paid for an equal amount of property by Europeans.\textsuperscript{147} Once again in an October editorial, the \textit{Herald} repeated its stand:

\textsuperscript{144}\textit{Ibid.}, June 22, 1893, p. 4.
\textsuperscript{145}\textit{Ibid.}, September 5, 1893, p. 5.
\textsuperscript{146}\textit{Ibid.}, September 8, 1893, p. 4.
\textsuperscript{147}\textit{Ibid.}, September 8, 1893, p. 4.
The ultimate object is clear. Maoris should be settled in small communities on reserves suitable for them in every way. These reserves should be ample, so that there would be no danger of any Maoris being in want, or becoming a burden on the community. The rest of their land should be made available for settlement through the Land Boards, the Government making arrangements so that the Maoris should not be demoralized by having the whole money paid to them at once, but they should receive payments in permanent annuities to the tribes. The plan would be infinitely the best for the Maoris as a race. We say that such a solution is the best for the Maoris, because the only tribes who are now living happily, who are industrious and sober, and who are maintaining their members are those who have disposed of all their surplus lands and are residing on their reserves. 148

The record of Herald editorials on the subject of native land showed a clear desire for an increase in the settlement of areas held by the Maoris—obtained either by facilitating direct European purchase or increasing the government's purchase and transfer. By 1890 there was general agreement in government circles, strengthened by successive commission investigations, that the alienation of Maori land under the individual title system had been disastrous for the race, since many of the natives sold their individual holdings. 149 But government purchasing continued in areas where pre-emption prevailed and the rich King country was opened gradually to settlement during the next decade. By 1900 an overdue Maori Lands Administration act was passed which restrained the natives from parting with the freehold of the balance of their lands (about five million

148 Ibid., October 13, 1893, p. 4.
149 Belshaw, p. 61.
-147-

acres). The bill prohibited further alienation of land either to the Crown or to private purchasers and established a system by which land was leased through council action. At the same time, authorization was made for advances of money to natives to help them make roads and improve lands for their own use.150

The formation of the Department of Agriculture received Herald support. The newspaper responded enthusiastically when McKenzie introduced the department program.151

(XII)

The record of the Herald's editorial stand on the Liberal program of land reform can be summarized by viewing the newspaper's reaction to the principal divisions of land legislation. Editorials appearing soon after the Liberal victory expressed the belief that the existent land system could be administered to benefit the small settlers; any basic change in the law was regarded as a dangerous innovation. The Herald's criticisms of the tenures established by the Liberals centered on the contentions that freehold was far more desirable than any form of state tenancy, that there should be no conditions hampering cash purchases, and that the lease-in-perpetuity involved a loss to the state of

150 New Zealand Official Yearbook, 1905, p. 556.

151 NZH, January 28, 1891. Also February 1, 1893.
land revenue.

The village settlement scheme received the support of the Herald largely because it was adaptable to the conditions of Auckland province and meant increased settlement in the Herald's home area. The Herald's early acknowledgment of support for measures that would aid settlers to acquire small farms led the newspaper to give initial support to the Liberal plan for the repurchase of private lands. Even later objections evidenced local interests more than a disagreement with the theory on which compulsory repurchase rested. Thus purchases of land by the state in South Island were regarded by the Herald as grounds for further delay by the government in opening the north to settlement. The newspaper's attitude toward the lands of the Maori was also a product of a concern for North Island's future, and the Herald plainly evidenced readiness to support any plan which would have facilitated European settlement.

More than any other area of Liberal reform, the land measures of the Ballance government were viewed by the Herald primarily from a local viewpoint. Whatever the issue under consideration—state repurchase of private lands or village settlement projects—the Herald analyzed the possible effects in North Island before taking a stand upon its merits. The special capacities of the north—suitable land for small farms and the heavy rainfall and equitable climate necessary for dairying and truck gardening—made the increase of small
landholdings essential to agricultural progress. As refrigeration continued to open new outlets for meats, fruits, and dairy products, the Herald rightly believed that North Island's productive future was assured if farmers were given access to land.
CHAPTER V

THE LIBERAL PROGRAM: TAXATION

(I)

The course of New Zealand's public finance during the half century preceding 1890 involved the early application of customs duties, a brief experience with a tax on land, and the steady reliance, after 1879, upon property taxation.

The first customs duties were introduced in 1841 with the sole object of raising revenue,¹ and customs and stamp duties provided all tax income until 1878.² Grey's Liberal ministry entered its second session in that year, and Ballance, then colonial treasurer, introduced an ungraded land tax of one halfpenny in the pound upon all holdings valued over £500.³ Landed interests had successfully delayed

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¹Introduction to New Zealand, p. 121.
²Simkin, p. 48.
³Ballance's financial statement in 1878 is full of interest as a prelude to his policies in the nineties. Arguments justifying land taxation pointed out that land owners had benefited from loans creating the debt New Zealand faced, but had escaped taxation. No form of wealth could be more justly taxed than land and no other commodity appreciated in value so rapidly from progress of the colony. See Wilson, pp. 58-60.
direct taxes before 1878,⁴ and their opposition was largely responsible for the fall of Grey's government soon after enactment of the land tax.⁵

When the Continuous ministry returned to office in 1879 after Grey's defeat, they were committed to abolish Ballance's land tax. In its place, they substituted a tax of a penny in the pound on the capital value of all assessed real and personal property above a basic exemption of £500 and this property tax remained an important revenue source until 1891.

Reeves termed public finance during the 1879-1891 period "little more than a series of attempts to avert deficits."⁷ Rather than searching for new sources, successive ministries turned to the customs. Early tariffs, designed to furnish revenue, had had little protectionist bias.⁸ They were confined to low duties on a few commodities in wide demand—alcohol, tobacco, tea, beer,⁹ coffee, and

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⁴Simkin, loc. cit.
⁵Reeves, State Experiments, I, 258.
⁶Ibid., I, 258.
⁷Reeves, The Long White Cloud, p. 258.
⁸From the beginning, imperial preference has been a principle of New Zealand tariff policy.
⁹Beer duties were an exception from the "non-protectionist" character of early customs. Large colonial breweries were established under protection.
sugar. Small increases in customs rates were made when funds were needed for the Maori wars in 1864, but no further changes occurred for two decades. When the Conservatives increased tariff schedules in the eighties they received support from two groups—those who desired protection for local industries and those who wished to postpone taxation upon land. Some general increases were made in 1882 but the major protective measure of the period was the act of 1888. Its terms applied twenty per cent ad valorem duties, nearly doubling past rates. The increased customs rates served the double purpose of raising New Zealand's tax revenue and sheltering new industries. Reeves described the manufacturer's position:

Factories engaged in the woolen, printing, clothing, iron, and steel, tanning, boot, furniture, brewing, jam-making, and brick and tile-making industries owe their existence in the main to the duties. Nor would it be fair to regard New Zealand protection as simply a gigantic job managed by the more or less debasing influence of powerful companies and firms. It was adopted before such influences and interests were. It could not have come about, still less could it last, were there not an honest and widespread belief that without duties the variety of industries needful to make a civilized and prosperous nation could not be attained in young countries where nascent enterprise are almost certain to be undercut and undersold by the giant capitalists and cheaper labour of the Old World.

By 1890, customs returns accounted for about seventy

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10 Simkin, p. 50.
11 Ibid., p. 50.
12 Reeves, The Long White Cloud, p. 259.
per cent of New Zealand's tax total. There was little or no organized opposition to tariff protection and industrial workers joined their employers in supporting customs duties. No doubt the farmers, who might be expected to oppose the customs tax on commodities, realized the hard facts in the matter—that customs netted the nation sufficient revenue to insure a delay in direct taxation. No similar acceptance was given the property tax. Its proceeds in 1889, paid by 26,327 persons, totaled £354,167. Manufacturers who backed customs increases were aligned against the inelastic property tax and were joined in their opposition by small farmers, shopkeepers, and trading companies. The defenders of property taxation claimed its terms of a penny in the pound on the capital value of every citizens' possessions were simple and efficient; in addition, no class of property owners was singled out for special burdens. To answer these arguments, those who opposed the tax pointed out that different classes of property brought unequal profits and hence the ability of owners to pay was by no means equal. Reeves stated their position:

The shopkeepers, taxed on unsaleable stock, the manufacturers paying on plant and buildings as much in good years as in bad, bethought them that under an Income tax they would at any rate escape in bad seasons when their

13New Zealand Official Yearbook, 1894, p. 132.
14Ibid., p. 250.
15Reeves, The Long White Cloud, p. 308.
incomes might be less or nothing. The comfortable professional man or well-paid business manager paid nothing on their substantial and regular incomes. The working-farmer settling in the desert felt that for every pound's worth of improvements made by muscle and money he would have to account to the tax-collector in the next assessment. 16

Liberals, in their platform during the 1890 election campaign, linked the repeal of the property tax with a promise to inaugurate a land and income-tax. This promise brought manufacturers and merchants into Liberal ranks to join the small farmers and laborers. Four months before he presented his 1891 financial statement, Ballance outlined the course of his government's tax policy:

A radical change in the incidence of taxation will be made by the Government in the ensuing session and the direction of that change would be to relieve the people who are now bearing unjustly an undue proportion of the burdens of the property tax, and to place it upon broader shoulders, which would be better able to bear it. The Government hoped to relieve somewhat the industrial classes. They hoped to be able to take some of the weight off the farmers and manufacturers, the artisans and labourers, and to place a fair share of the burden upon those who had acquired wealth in the colony, and were able to pay additional taxes. 17

(II)

The taxation program of the Liberals hinged on a single measure abolishing the property tax and providing a land and income tax. The terms of this tax bill in relation to land have been described in the preceding chapter.

16 Ibid., pp. 308-309.
17 NZH, February 13, 1891, p. 5.
Briefly summarized, the ordinary land tax of a penny in the pound applied to all properties after deductions were made for mortgages, for improvements up to £3,000, and for a flat exemption of £500. Absentee owners paid a special tax. The graduated tax was a halfpenny in the pound for properties with an unimproved value of £5,000, increasing by one-eighth penny for every additional £5,000 value. In

18. Mortgagors were treated as part owners of the land on which they held mortgages. For the ordinary land tax an owner could deduct from the value of his land the amount he had mortgaged. A person owning land and holding mortgages was assessed on both as if they were land. An owner was not allowed to deduct mortgages owed in determining valuations for the graduated tax. See New Zealand Official Yearbook, 1894, p. 245.

19. The exemption was not granted when an owner's land, less deductions, exceeded £1,500 value. Ibid., p. 245.

20. Absentees paid twenty per cent more taxation than residents. In 1891, New Zealand law defined an absentee as a person who had been out of the colony three years. When absentees evaded payment by making short periodic visits, the three-year period was reduced to one in 1900. See Reeves, State Experiments, I, 253.

21. Excerpts from the schedule of rates of the graduated land tax illustrate the pattern of assessment:

<table>
<thead>
<tr>
<th>Value of Land</th>
<th>Tax in pound sterling</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1</td>
<td>one-eighth of a penny</td>
</tr>
<tr>
<td>5,000 to 10,000</td>
<td>two-eighths of a penny</td>
</tr>
<tr>
<td>10,000 to 15,000</td>
<td>four-eighths of a penny</td>
</tr>
<tr>
<td>20,000 to 25,000</td>
<td>six-eighths of a penny</td>
</tr>
<tr>
<td>30,000 to 40,000</td>
<td>one and two-eighths penny</td>
</tr>
<tr>
<td>90,000 to 110,000</td>
<td>one and four-eighths penny</td>
</tr>
<tr>
<td>130,000 to 150,000</td>
<td>one and seven-eighths penny</td>
</tr>
<tr>
<td>190,000 to 210,000</td>
<td>two pence.</td>
</tr>
<tr>
<td>Above 210,000</td>
<td></td>
</tr>
</tbody>
</table>

See New Zealand Official Yearbook, 1894, p. 248.
his financial statement introducing the tax alteration, Ballance admitted that a proper land tax would be a tax on the value of the land, less improvements. He explained the inclusion of assessment on farm improvements over the value of £3,000:

The necessity for stopping short of the ideal must be found in the imperative requirements of our finance—the need for providing sufficient revenue to meet our obligations without unduly weighting the necessaries of life through the Customs. We advance, therefore, just as far towards this ideal tax as the conditions of a sound finance will permit us, and, if we stop short of what some might desire, it must be remembered that the history of financial reforms and changes shows that the ends sought to be attained were seldom if ever reached in a single effort.22

By 1893, Ballance was to see his way clear to abolish the tax on improvements. He urged its retention in 1891 because he felt the income would be needed to help compensate for revenue lost by the removal of the property tax. By the time the Liberals removed the improvement tax, they had increased the rates of the graduated land tax for substitute income.23

Values of land and improvements were to be ascere-


23Abolition of taxation on improvements was expected to reduce revenue receipts by £37,000 and the increased scale of the graduated tax was expected to produce £18,000, leaving a net loss by the exemption of all improvements of £19,000. Actual figures for the first year after the change was loss through exemption of improvements, £34,625; extra graduated tax, £16,383; net loss, £18,252. See New Zealand Official Yearbook, 1894, p. 246.
tained by assessments made every three years. Owners could bring complaints before a board of review, composed of residents in the district in which the land was situated, which heard evidence and passed a final decision. If the owner were still dissatisfied with his assessment, he could call on the tax commissioner either to reduce the assessed value or to purchase the property at his original return. 24

Since owners of land were assessed on the value of their holdings, they were exempted from income taxation. For income tax assessment, a basic exemption of £300 was allowed New Zealand residents and this was deductible from all taxable incomes in addition to an allowance of £50 if taxpayers carried private life insurance. This £300 exemption was not allowed to companies. Income tax rates were a halfpenny in the pound on all incomes between £300 and £1,000. Above the £1,000 level, the tax amounted to a shilling in the pound. Companies paid a flat rate of one shilling. 25

The average customs revenue per European resident amounted to £2 9s. 3d. yearly in 1890. 26 No general tariff alteration was made during the first Liberal administration although further protection was granted in 1895, accompanied

24 Ibid., p. 246.
25 Ibid., p. 247.
26 Ibid., p. 327.
by reductions in the duties on foodstuffs. A thorough re-
vision was undertaken in 1907 when more foodstuffs were
placed on the free list and increased rates levied on manu-
factured goods. Customs duties continued to provide the
bulk of New Zealand revenue after the switch from property
to land and income taxation. During the present century a
progressive income tax has become the chief revenue source,
but as late as 1910 land and income taxes together provided
only twenty-one per cent of the tax income.

The moderate graduation of the land and income taxes
coupled with the high levels at which they began to operate
reduced their effect in altering income distribution.

Condliffe writes:

The real significance of the Land and Income Tax
Act of 1891 was the introduction of the progressive princi-
ple. From the viewpoint of tax incidence it is clear that
while substitution of land and income tax for property tax
did not greatly shift the burden as between economic groups,
within groups, it made the burden more equitable and thus
was in line with the government's policy.

(CIII)

Campaign promises made the Liberal candidates and
general remarks of Ballance during the January session of

27 Simkin, p. 51.
28 Ibid., p. 51.
29 Ibid., p. 50.
parliament clearly indicated that tax alterations were planned for 1891. Details of the new tax bill were not known until mid-May when a general statement on the government's financial proposals was issued from Wellington. 31 Herald editorials concerned with taxation during the summer months had been devoted mainly to supporting the removal of the property tax. The newspaper's opposition to property taxation rested on beliefs that it hindered the investment of English capital in New Zealand, that it often meant a levy on money and property deriving no income, and that it drove out capital created in the colony. 32 The Herald approved the successful retrenchments in the civil service effected by Ballance, hoping that these economies would make unnecessary the imposition of new taxation to the full amount of the property tax. 33 The newspaper also contended that property tax abolition would mean increased revenue in other departments by encouraging further British investment and thus promote a general increase of trade. 34

Ballance fully outlined the land and income tax in

31 The Herald's first observation was that there was nothing alarming in the government's proposals and that the ministry should carry the "workable and beneficial measure." See NZH, May 6, 1891, p. 4.

32 Ibid., February 13, 1891, p. 4; March 18, 1891, p. 4; May 22, 1891, p. 4.

33 Ibid., March 18, 1891, p. 4.

34 NZH, May 27, 1891, p. 4.
his financial statement to the house, June 16, 1891. He
ended with a claim for the fairness of the proposed program:

New Zealand is a colony of comparatively limited
area, and it is for the people to say whether the land out
of which all must live shall be widely distributed or whether
it shall be held by a privileged number. Our policy, we be-
lieve, raises the issue in the most practical form, while it
will be seen not to be unfair when we compare the taxation
contributed by different classes. The abstract fairness of
an income tax on profits derived from trade and commerce has
never been questioned. Our change in this respect gets rid
of a number of exceptional taxes which rest on no principle,
substituting a simple tax on profits realized. The compara-
tively light income-tax under the head of salaries and profes-
sional incomes will fall only upon those whose positions en-
able them to contribute without inconvenience, the exemption
of £300 affording ample protection to all who will come
within the limits of the schedule.35

The Herald gave initial approval to the Liberal tax-
ation program and recommended its careful consideration by
parliament.36 This early, but cautious, blanket approval
waned as the session progressed, and editorial writers soon
commenced a detailed criticism of the main features of the
tax bill.

Early in May the Herald cited its fundamental ob-
jection to the land tax:

The present colonists are for the most part in
occupation of land which was sold to them by the Government
at the highest price which could be obtained, and it is felt
to be an injustice that the Government should impose a
special tax on land after having sold it.37

35"Financial Statement in Committee of Supply, June
36NZH, June 17, 1891, p. 5.
37Ibid., May 22, 1891, p. 4.
With this reservation the Herald gave early support to the land tax, provided that the legislators made certain that the rates would not be increased. The newspaper acknowledged that the colony would benefit if the tax operated to some extent against large holdings. New Zealand’s experience with land monopoly appeared to justify special taxation:

Land, as a foundation of everything which exists in human communities, ought not to be highly taxed for that reason, because the less difficulty that is thrown in the way of utilizing it the better, but when such impediments are produced by greed or ambition of great or of wealthy individuals in acquiring an extent of territory far larger than they can occupy, then, while such monopoly exists, taxation is a legitimate expedient for bringing back, for the advantages of all, the broad acres which only served to gratify the pride of one. The land taxation of the present Ministry seems to recognize these principles....In these views there is nothing to shock, nothing to alarm, always supposing the valuations to be fairly made. It is clear that consideration for the small men is a marked feature of the government scheme; nor, if we examine the burdens of great property, shall we find any symptoms of vindictive legislation.

As house debates revealed the more extreme attitudes of some Liberal supporters, the Herald retreated to a position of caution:

We think that attempting to bring about any system of landholding by taxation is very doubtful. These things are apt to work out in a way different from what is intended. The worst time in the history of Rome was when proscriptions were in fashion, when each party on getting the victory over

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38Ibid., May 22, 1891, p. 4.
39Ibid., June 30, 1891, p. 4.
its opponents forthwith drew up a list of men who were doomed to death. Bad times are in store for New Zealand if each party when it gets uppermost attempts to punish its opponents by loading a class with taxation.40

The Herald estimated that few men in the Liberal party ranks would have to pay the graduated land tax. When the ministry delayed the introduction of formal tax measures until late July, they were charged with "thinking it fine fun to have the power to impose taxation upon others, and delighting in prolonging the agony and keeping the sword suspended over the heads of their victims."41 At the same time, the Herald professed fear of the effect that continued uncertainty about the exact course of the government's measures would have upon trade.42 Herald criticism of the theoretical implications of land taxation intensified toward the session's end. When the Auckland Liberal association published its communication with Ballance registering the group's approval of his financial measures, the Herald commented:

The Liberals of New Zealand may think it fine fun to use their powers to put a crushing taxation upon those who by energy and thrift have made provision by which they conceived they were independent. They may gloat over the idea of confiscating the property of men in England who have invested capital here. But they may depend upon it that injustice is never done with impunity, and that those who will first suffer will be the working class.43

40Tbid., July 3, 1891, p. 4.
41Tbid., July 22, 1891, p. 4.
42Tbid., August 14, 1891, p. 4.
43Tbid., August 15, 1891, p. 4.
The newspaper's editorials frequently revealed that the Liberal ascendancy was considered a temporary victory. In relation to the Liberal taxation program, this manner of thinking led to such editorials as one included in a late August Herald issue contending that any unjust system of taxation would invite a complete change with a new ministry:

Here is Government of an extreme Socialistic character, which believes it to be good policy and sound political economy to enter upon a career of bursting up big land, and so on. They adapt the system of taxation to that purpose. Such a Government cannot continue forever. In New Zealand no Ministry lives for more than a year or so. Their opponents... are absolutely bound to change the whole system and incidence of taxation. This is an inevitable result of imposing taxes, not with the view merely of defraying the cost of government, but so as to carry into effect the theories of Edward Bellamy. But how will a country fare which is ruled in this way?

Although the Herald had committed itself in pre-session editorials to supporting the division of large estates, by the end of the session the "justice" of the proposed measures was its main concern. In the newspaper's eyes, the new tax, as described by its supporters, failed to meet that requirement:

From beginning to end, Mr. Ballance seems to have no idea that in the taxation of a country, the Government ought to have regard above all for justice. All writers on economics have laid it down that taxation should not be imposed except to raise money to defray the cost of the government of the country. The large estates in this country have been acquired legally and the colony in the early days existed on the money paid for that land. For Mr. Ballance to put himself at the head of the mob, and to destroy these large estates by a sudden blow in the imposition of penal taxation, is

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44 Ibid., August 29, 1891, p. 4.
unjust. It is the work of a Parliament and a Government which have got into the hands of an unscrupulous party, heedless of justice and bent on carrying out, by whatever means, a baseless theory. We are sincerely sorry to find that the Premier still remains blind to the sins of the times and to reason and justice.45

The land and income tax was to become effective at the beginning of the fiscal year in March, 1892, and shortly after parliament recessed in October, tax return forms were distributed from Wellington. The *Herald* reported the event and termed it the "first volley fired from taxation authorities at those persons who are to be the unresisting victims of slaughter by the new taxation."46 In a lengthy editorial, the newspaper summarized its objections: (1) the new tax had not been imposed because of the necessities of the country but to strike at a class of landholders in another step toward freehold abolition, (2) expansion of exports, decreased public works and government economy should make it possible for the country to do away gradually with the property tax or replace it by a less drastic measure.47

The *Herald* anticipated that the taxpayer would inevitably reflect that he paid the tax not as a citizen of New Zealand but as a landowner. He would also know he was made to pay by a body of men in possession of the country

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who would be exempt:

The tax has been imposed on the landowners of the colony by those who are not landowners. One set of men pay the taxes and another set of men impose them. That is what Democracy has come to in New Zealand. It is exactly as if a foreign army had landed on our shores and had decreed that everybody should give up a certain part of their wealth at the point of a bayonet. As for the unfortunate owners of property who happen to reside in England, their land is simply confiscated. No man would be foolish enough to hold property while he was subject to a fine of twenty per cent per annum for daring to live out of the colony.48

During the session, the Herald frequently examined and criticized the tax on improvements. The newspaper's opposition to this portion of the tax plan, which it termed "a bad form of property tax," indicated in some measure Herald discontent with the system prevailing before 1890. In its opposition to improvement taxation, the Herald solicited the support not only from opponents to the whole system of Liberal taxation, but from those Liberals, like Grey,49 who were dissatisfied with the inclusion of an improvement assessment. As it had done in the case of the property tax, the Herald contended that men would be taxed on improvements which often yielded no return. The tax would discourage men from making improvements over the £3,000 exemption level,

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48 Ibid., November 12, 1891, p. 4.

49 Grey dissented from the tax on improvements from the first, contending it struck at the basic principle of direct land taxation. He introduced an amendment ending the tax during the 1892 session which failed because the Liberal leaders considered it untimely. The Herald consistently supported Grey's action. See NZH, June 27, 1891, p. 4; May 7, 1892, p. 4; May 14, 1892, p. 4; June 17, 1893, p. 4.
whereas every man ought to be urged to improve the value of his property. Ballance had re-stated his position on the special tax during the conclusion of the financial debate:

At any rate, the improvement tax is better than the property tax. The great goal of the Liberal party in this House is a land-tax pure and simple. It is a question of means. We have recognized the necessity of having sufficient revenue to replace the property tax and therefore we brought down proposals advancing to a certain point, but still keeping in view the necessity for revenue.

A Herald editorialist writing the following day reflected that the longer the improvement tax was debated the more unfavorable it seemed for a new country where material improvement was essential to progress. He conceded that if Ballance could cut out improvements altogether, the program would fulfill conditions of sound fiscal law and put direct taxation on a sound basis. The writer concluded:

It is beyond question that the system of rating improvements is the direct means of putting a stop to them, particularly in the country, where the necessity for building, and especially for ornamental structures, is much less pressing than in large towns....It would not be difficult to multiply instances of the evil wrought by finding enterprise which ought rather to be subsidized. As already stated, the policy is a bad one in our circumstances, and indeed is only applicable where accumulated capital, large profits, and a luxurious mode of living require costly convenience at the public expense and are able to pay for them.

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50 Ibid., June 26, 1891, p. 4.
52 NZH, July 14, 1891, p. 4.
53 Ibid., July 14, 1891, p. 4.
54 Ibid., July 14, 1891, p. 4.
When Ballance defended the land and income tax bill during its third reading, he admitted again that the tax on improvements "was a blot on the system." The Herald fired back:

It is a blot so big as to cover the whole system. Mr. Ballance had it in his power to make a fair scheme of direct taxation, which would have been less burdensome than the property tax. He has passed a system of which the chief part, according to his own admission, is a gross injustice and a huge fiscal mistake. Mr. Ballance's admission is a justification of our criticisms of his proposals, and a condemnation of those who in Auckland have declared that the Government proposals are just and fair.

Little change was made in the land and income tax bill in 1892. The Herald supported Grey's unsuccessful amendment to delete the improvement tax and criticized Ballance's stand that the country was not yet ready to relinquish the revenue it netted. The Liberal ministry decided that the time was right in 1893 and ended the tax on improvements in that year. By that time, its taxation program enjoyed general acceptance, and the Herald only mentioned brief approval for a change it had so urgently requested two years before.

The limited editorial attention paid by the Herald to the income tax seems to indicate silent agreement. Al-

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55 P., D., LXXXII, p. 129.
56 NZH, August 20, 1891, p. 4.
57 Ibid., September 14, 1892, p. 4.
58 Ibid., July 5, 1893, p. 4.
though an innovation in New Zealand tax history, the income tax was never regarded by the Herald as a rash experiment. Early in May, when the terms of the tax bill were first announced, the newspaper contrasted low customs payments in England to the high rates in New Zealand—maintaining that an income tax was more justified in the mother country.59 Since New Zealanders contributed heavily to the nation's revenue through the customs duties, the Herald preferred to regard the income tax as a special tax to enable New Zealand to meet her engagements until her increase of population and wealth made other tax means sufficient.60 The newspaper anticipated that merchants and shopkeepers would have greater opportunities for evading income assessments than men with fixed salary incomes "which the government could get at down to the last farthing."61 Immediately after Ballance introduced his taxation bill, the Herald noted:

The position of New Zealand with an income tax and a land tax must also be very seriously considered. It may be said that these taxes will not affect the working men, and that is the bone and sinew whose exodus we must lament. But the exodus of capital must also be taken account of; if it goes, bone and sinew must follow.62

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59 Ibid., May 6, 1891, p. 4.
60 Ibid., May 22, 1891, p. 4.
61 Ibid., May 15, 1891, p. 4.
62 Ibid., June 17, 1891, p. 4.
Only once—at the end of the 1891 session, when the heat of party friction resulted in rash attacks on the land tax—did the Herald briefly mention higher income tax rate paid by companies, remarking that in principle there was no objection to the income tax but it had been made distasteful to the mercantile body by unwise cumulations.63

The rate structure of the land and income tax, planned to replace only the revenue lost by the abolition of the property tax, was clear evidence that the Liberals intended no immediate customs alterations. Ballance, however, did hold out promises for future action in his financial message:

When the nature of our obligations will permit it, we are of the opinion that relief should be given on the necessaries of life now paying duties through the Customs, but we must be certain, while the great object is being reached, that we shall have sufficient revenue to meet the growing demands on the Consolidated Fund, arising through the cessation of borrowing large amounts of money in the English market.64

The Herald agreed. The newspaper's cardinal financial principle at this time was that there should be no further borrowing under any circumstances. If high customs duties were necessary to keep New Zealand from adding to its debt, then they had the Herald's approval. In attacking Ballance's tax program early in the 1891 session, the opposi-

63Ibid., October 2, 1891, p. 4.
tion moved an amendment suggesting that the financial proposals of the government would be more in accord with the general wishes of the people if they included a reduction of taxation on the necessaries of life. Ballance won the resultant lack-of-confidence division, thirty-eight to sixteen. 65 The Herald regarded the move with disgust, frankly informing the opposition members that they had "better things to do with their time."66 The newspaper pointed out that the Conservatives had been in office for years without lowering the duties on tea and sugar, and maintained that no change was desirable in 1891.67

Throughout the period when the taxation changes were being effected, the Herald watched London reaction with a nervous glance for fear that the new tax would adversely affect the continued investment of foreign capital in New Zealand.68 The tax on absentee owners was viewed with special distrust:

These are a class of men (absentees) over whom we have but a slight hold at any time, and we should find that if we levied extra taxation upon them, their numbers would rapidly decrease. Absentees are men who have lived here at one time, who have property here, but who now reside abroad; or they are men who have invested money here in land without coming to the colony. The effect of such a tax would be to prevent men from coming to the colony, or indeed, men with means. The imposition of such a law would be a proclamation that any man who came to New Zealand dare not leave it again, even on a prolonged trip to the land of his birth, under penalty of confiscation of his property. 69

65 FR. D., LXXII, p. 41.
66 NZH, July 10, 1891, p. 4.
67 Ibid., July 10, 1891, p. 4.
68 Ibid., August 5, 1891, p. 4.
69 Ibid., August 13, 1891, p. 4.
Herald editorialists followed the London Economist and reprinted the comments of that magazine attacking New Zealand's taxation proposals for placing in jeopardy the British savings invested in the colony. Admonished the Herald:

However lightly Mr. Ballance may affect to treat the comments of the English financial journals on his land taxation policy it is abundantly plain that the English investors, whose interests it is their special function to watch over, are greatly alarmed at his proposals.\(^7\)

By September, fortified with a report from a London correspondent that the advent to power of an "extreme Labour party" was being watched with mixed curiosity and alarm, the Herald warned:

Legislators are very much mistaken if they suppose that the public opinion of England as to the manner in which we conduct the business of the country is a matter of indifference. If confidence in the colonial administration is destroyed, we cannot expect any immigration from England, and that ought to be a material element in our progress and prosperity. Further distrust in England means that there will be no investment of private capital in New Zealand and that a system of squeezing will be adopted, so as to withdraw all the capital which is in any way invested in New Zealand.\(^1\)

The Liberals successfully carried their land and income tax bill during their first session in office. Except for an exemption of improvements and an alteration in the graduated land tax scale, the bill remained the basis of New Zealand's taxation system until 1917.\(^2\) Since the

\(^{7}\text{Ibid.}, \text{November 23, 1891, p. 4.}\)

\(^{1}\text{Ibid.}, \text{September 2, 1891, p. 4.}\)

\(^{2}\text{The ordinary land tax was abolished in 1917 and in its place a single progressive tax was adopted. See Reeves, The Long White Cloud, p. 309.}\)
bill occupied the attention of parliament and public for a single session, that is the period of the Herald's chief concern with the Liberal program in relation to its taxation. Herald editorials concerned with taxation were infrequent after 1891. The financial statement of 1892 received the newspaper's enthusiastic support when it included no new tax proposals, no large schemes of public works, no tariff changes, and no plans to borrow on the London market.73 The Herald approved an 1892 amendment to the tax bill exempting English debenture holders from taxation.74 The 1893 financial statement was welcomed as a measure "devoid of all sensational features...a talk the chairman of a company emerging from difficulty into prosperity and progress might deliver at an annual meeting of shareholders."75

(IV)

Herald editorials concerned with the Liberal taxation program commenced with denunciation of the property tax and expressed the hope that Ballance would either find a workable substitute, or by strict economy, get along with decreased revenue. When the land and income tax was first

73NZH, July 1, 1892, p. 4.

74A provision was contained in the 1891 bill imposing a tax upon all the capital raised in England on debentures and used through the agencies of companies in New Zealand.

75NZH, July 14, 1893, p. 4.
announced, the newspaper responded with general approval.

As the session progressed and the land tax came to be regarded as much a weapon in a fight against large holdings as a revenue means, the Herald retreated to a position of criticism, terming the land tax a class measure and an unorthodox means to alter land ownership. The Herald consistently objected to the tax on improvements, classifying it as another form of property taxation. The income tax received general Herald support. It answered the newspaper's main criticism of the property tax by relieving from taxation property that was incapable of producing profits. In 1891, the Herald expressed concern that a decrease in the investment of British capital and further population losses through emigration would result from the Liberal policy.

By 1893, many of the newspaper's doubts were removed. In 1892, for the first time in eight years, immigration showed a favorable balance over the number of people leaving New Zealand and the gain of that year was doubled in 1893. The financial statements of the two years following the levy of the land and income tax showed net surpluses. The grim prophecies of the effect of the Liberal taxation

76 Immigrants outnumbered emigrants by 4,948 in 1892, and by 10,412 in 1893. See New Zealand Official Yearbook, 1894, p. 71.

77 Net surpluses were £165,173 in 1892, and £163,000 in 1893.
were exchanged for quiet acceptance by the Herald.

In retrospect, it would be easy to view with amusement the intensity of the Herald's concern with Ballance's tax measures. It would be easy to illustrate how groundless many of the newspaper's fears were—Britons made no rush to withdraw capital, men continued to hold and own land, improvements did not cease. But the use of these illustrations in any attempt to prove Herald fallacies would mean an introduction of evidence which was not at the disposal of Herald writers. They viewed the machinery of the tax bills and argued about the economic theories on which they rested. In labeling the program of the Liberals a dangerous movement, they looked to the possible extensions of direct taxation linked with the principle of progression. They could not know, as Reeves knew twelve years later, that "nothing startling was done by the land and income tax."78

78 Reeves, State Experiments, I, 263.
CHAPTER VI

THE LIBERAL PROGRAM: LABOR

(I)

No other phase of the Liberal party’s program attracted so much world-wide attention as its labor legislation. The establishment of a system of conciliation and arbitration and legislation governing wages and conditions of labor were pioneering steps on the world scene as well as in New Zealand. Fifty years later, Clement Attlee, the British Labour party leader, paid tribute to New Zealand reformers:

We in this country have for many years regarded New Zealand as a laboratory of social experiment. Many of the developments which have been adopted here were first pioneered on the other side of the world. Such experimental work has been of peculiar value to social reformers in this country, because it has been carried out by people of our own stock. The effects of each piece of legislation could be considered not only from the point of view of machinery, but of human values. The psychology of the people of New Zealand is probably nearer to that of the inhabitants of Great Britain than that of any other Dominion.

Again and again it has been possible to confront reactionaries who augured diaster or alleged impossibility with the answer that what has been done in New Zealand could be done here.¹

¹John A. Lee, Socialism in New Zealand (London, 1938), from an introduction by Clement Attlee, p. v.
The immediate background of the demands for the labor legislation of the Liberals can be traced to the revelation of "sweating" in South Island factories, and to the failure of the strike as a union weapon during the maritime strike of 1890. These events in turn were products of the industrial growth in New Zealand and the over-abundant labor supply in the midst of the long depression.

New Zealand has so frequently been characterized as an agrarian nation that her preoccupation with industrial and labor reforms may seem an anomaly at first glance. Devoted largely to finishing locally produced materials for home consumption, New Zealand manufacturing was limited in scope. No doubt this was a factor in the early success of industrial reforms. A colonial attitude which denied the existence of entrenched inequalities, an industrial system of sufficient youth to be adaptable to manipulation, and a national tendency to rely upon government regulation all contributed to the general acceptance given labor reforms in the nineties.

Population expansion during the Vogelian boom, the pattern of industrial development, and the inadequacy of initial legislative measures to protect labor all contributed

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2Reeves, however, cited the different attitudes in the colonies and in Europe toward entrenched inequality as an obstacle to colonial reform. He reasoned that it was common in New Zealand to deny any need for reform by simply asserting that industrial evils did not exist. See State Experiments, II, 1-2.
to the labor crisis that New Zealand faced in the final year of the Continuous ministry.

The majority of immigrants arriving in New Zealand during Vogel's borrowing boom consisted of town dwellers who came to New Zealand from British industrial centers. Bringing with them an urban outlook, their numbers included many British trade unionists. Their concentration in cities was further influenced by the diminished opportunities for settlement on the land. Unemployment posed no problem during the seventies when public works provided a good labor market. The gold rushes and wheat farming beginnings added to the simultaneous discoveries of coal deposits gave impetus to mechanical industry. During the boom, industries using raw materials of local production were expanded—pottery work, woods, woolen goods, ropes, confectionaries and flax manufacturing. In addition, workers could find employment as agricultural helpers, sheep-shearers, woodsmen, flax cutters, kauri gum diggers, fishermen and miners. The labor department's first secretary discounts the general agrarian concep-

3 Condiffe, p. 145.

4 Ibid., p. 145.

5 The Kauri-pine grew in north Auckland province. Its gum deposits were used as a base for varnish. Rush for kauri gum resembled a gold rush. The industry is nearly extinct today after exhaustion of gum deposits and destruction of the kauri forests. Up to 1922, gum valued at £20,000,000 had been shipped from New Zealand. See Reeves, The Long White Cloud, pp. 233-235.
tion of New Zealand life in his description of urban centers in the early nineties:

Here are rows of streets, with shops for the retail disposal of commodities, warehouses for the storage and transference of merchandise, banks, insurance offices, and agencies full of busy clerks, factories and workshops in full swing, with their crowds of men and women workers. Here are factories for the production of woolen goods, clothing, hats, boots, leather, saddlery, agricultural implements, carriages, bicycles, tinware, ironware, railway material, meats, biscuits, confectionary, etc. Besides these there are huge flour-mills, grain elevators, breweries, gasworks, electric light works, freezing works, foundries, dye-works, fellmongeries, and a hundred other businesses with which an advancing civilization supplies the necessities of a growing people.

The abrupt conclusion of the vast public works expenditure, the decline in gold production and the fall in price of wool, New Zealand's main export, marked the depression's beginning. Sutch writes:

For years there seemed no light; always there was black depression....New Zealand's main and best crop was and is grass. But in the eighties grass could be turned to profit only by selling wool and tallow on the markets of the world. The prices of wool and tallow were low. Meat was not considered a main product for export, for the refrigeration process during the eighties was still just developing. Similarly butter and cheese could not be carried long distances to the people of England. It was only when grass could profitably be turned into mutton and lamb, butter and cheese, as well as wool, that New Zealand saw the light again.

During the eighties the materials for the expansion of manufacturing were on hand—a ready labor force which


7Sutch, Poverty and Progress in New Zealand, pp. 80-81.
would work for extremely low wages and a government receptive to the protection of local industry. But immigration had been too heavy for ready absorption into the nation's economy, and unemployment soared. In 1885 the exodus began, and men left New Zealand--usually for Australia--to find work. Sutch writes that the busiest industry of the eighties was shipping--"not shipping cargo, but shipping human beings out of New Zealand, anywhere to escape destitution and unemployment."8 Between 1885 and 1891, the excess of departures over arrivals was twenty thousand.9 Even with this skimming of the labor supply, the numbers of workers far exceeded the demand. Wages fell and the labor of women and children was used more and more freely.10

As old-world industrial conditions were reproduced in New Zealand in the decade after 1880, organized labor became a power through the extension of trade union activity. Limited trade union organization was underway in New Zealand before the depression. Immigrants had usually been affiliated with workmen's societies in England and carried with them to New Zealand an avid interest in unionization. The

8Ibid., p. 83.

9The 1894 New Zealand Official Yearbook lists the exact loss through emigration during these years as 19,938. Between 1892 and 1893 the excess of arrivals replaced 15,370 of the population loss. See New Zealand Official Yearbook, 1894, p. 71.

10Reeves, State Experiments, II, 34.
first local societies were formed in the sixties and were mostly secret societies of printers, engineers, tailors and bakers. Bootmakers, butchers, seamen, engineers, and wharf workers organized in the early seventies. A Trade Unions act passed in 1878 afforded unions protection from prosecution for conspiracy. Otago, the industrial leader among New Zealand provinces, was the area of greatest union activity and the first national trade union action resulted from the Otago Trades and Labor council (composed of representatives from various craft organizations) sponsoring an all New Zealand congress in 1885. Similar central councils were established in each of the main centers during the eighties, and the organization was gradually extended from craft to unskilled workers.\textsuperscript{11} Condliffe describes the character of union activity before 1890:

Essentially, New Zealand unionism of the period was based on craft organization, liberal in politics and non-revolutionary in aims. It is doubtful if it had much Socialist theory. Any leanings in that direction were Fabian and State Socialistic. Marx was practically unknown. Scientific "Class-conscious Socialism" had not penetrated to New Zealand. The American secret society, the Knights of Labor, had New Zealand chapters but this was a passing fashion. The main stream of the movement was in the organization of trade union opinion in the trades and labor council. These were particularly active in Dunedin and Christchurch. Forums for political discussion, they produced much of the support for experimental legislation effected by the Liberal-Labor party after 1890.\textsuperscript{12}

\textsuperscript{11}Condliffe, pp. 157-159; Sutch, \textit{Quest for Security in New Zealand}, p. 56; Lee, p. 258.

\textsuperscript{12}Condliffe, p. 159.
Legal protection for workers before 1890 was slight. Legislation included: an apprentice act of 1865; an act of 1873 governing employment of women and children; a shipping and seamen act of 1877 to regulate conditions aboard ships worked in New Zealand waters; an 1882 act for inspection of machinery in factories; and an employers liability act, in the same year, protecting an employee against loss of earning power resulting from industrial accident without expensive litigation. A recent writer on New Zealand labor legislation summarizes the effect of early legislation:

It appears, however, that these measures were neither adequate nor effectively enforced; as a consequence, working conditions, for the most part, remained unprotected. A "Sweating" Commission appointed in 1889 reported that conditions in factories, especially in regard to the employment of women and children, were very unsatisfactory, and made a number of recommendations for their improvement. A conservative newspaper, the Otago Daily Times, exposed the sweating system in Dunedin early in 1889.

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13 Chief provisions established an eight-hour daily limit for work by women and girls. Factory work by women was prohibited from Saturday afternoon to Monday morning. Regular hours were set from 9 a.m. to 6 p.m. Four holidays in addition to Saturday afternoon were established. See Reeves, State Experiments, II, 38.

14 Lee, pp. 228-229.

15 Belshaw, p. 182.

16 The initial development in exposure of sweating was the publication in the Otago Daily Times of a series of sermons by Rev. Rutherford Waddell. The newspaper's editor, George Fenwick led the local investigation. See Condliffe, p. 155.
Public interest was aroused by investigations uncovering the exploitation of women and child workers. Low wages, long hours for needlewomen, subcontracting of jobs to small firms and individual outworkers, and misuse of the apprentice system were the main abuses revealed. Other newspapers joined in publicizing factory abuses, and a wave of public sympathy was aroused, resulting in support for the organization of tailoress' unions in the major centers, for an effective factory law, and for government investigation. A reluctant conservative ministry appointed a "royal commission" in 1889 which subsequently denied that sweating as practiced in Europe existed in New Zealand but concluded that New Zealand factory legislation did need considerable strengthening.\(^\text{17}\) The commission's findings prompted the Atkinson government to introduce a factory act, but this was not carried through until the Liberals were in power in 1891.

New Zealanders became aware of factory conditions in 1889, and in the next year watched the first attempt of the working class to remedy its situation by united action. The maritime strike of 1890 began in Australia with a dispute between ships' officers and owners when the officers affiliated with the seamen's union.\(^\text{18}\) Seamen and wharf-workers

\(^{17}\)Lee, p. 229.

\(^{18}\)The colonial steamship companies had resolved not to tolerate the affiliation of a union of steamship officers with the Trade and Labour Council of Melbourne and the Federated Seamen's Union. See Reeves, *State Experiments*, I, 86.
joined the officers in striking. Since the maritime council of New Zealand was a branch of the Australian council, the conflict eventually spread to the colony. Many New Zealand seamen and wharf-workers were reluctant to participate in the strike action and public opinion was opposed to the entanglement. The strike lasted three months and before it was over it became clear that the seamen had no chance of winning, and thus they were willing to confer with the employers on settlement terms or submit their differences to arbitration. But the shipping companies refused to attend a conference proposed by the government and would accept no other terms but complete victory. The strike ended with the complete defeat of the men. On the eve of the 1890 elections, the uncompromising attitude of the companies, and the disinclination of the Atkinson government to interfere with the strike gave the advocates of state arbitration additional fuel for their cause as well as strengthening the alliance of labor

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19. Trade between New Zealand and Australia was chiefly in the hands of the Union Steamship Company. When Union company ships arrived at Sydney, striking Australian wharf laborers refused to work the vessel. The Union company's employment of non-union laborers was the culminating event in New Zealand unionists' involvement with the strike. *Ibid.*, p. 87.

20. Members of the Liberal party, then in opposition, carried a resolution in the house directing the government to arrange the conference.
with the Liberal party. Wilson cites the importance of labor's defeat in the strike:

The maritime strike which developed late in August, 1890, is mainly important for its effect in hopelessly discrediting the strike weapon. Whatever may have been rights or wrongs of the strike itself, the (N.Z.) maritime council almost certainly made a serious tactical blunder in allowing itself to go out on a matter which did not originate in New Zealand and could not be settled here. Strikers could not appeal for sympathy on the grounds of demands for better conditions, and there seems to have been little willingness among non-union elements to believe that disruption to New Zealand life was justified by the desire of unions in this country to stand by their colleagues in Australia.... The strike demonstrated quite conclusively that as far as direct action was concerned, the workers' chance of success was negligible. Its importance is its effect in turning attention of workers to political fields as the only remaining avenue for securing their demands.... Beaten industrially, workers turned their attention to politics. The election of 1890 was practically a political revolution and a brighter day had dawned.

Thus the Liberal administration came to power when conditions were favorable to change, and found "a stage set for new policies of state interference in industrial matters."  

(II)

The labor legislation of the nineties was largely responsible for New Zealand's reputation abroad as a

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22 Wilson, p. 249.

23 Condliffe, p. 161.
"radically socialist" state. Yet competent students of the period all emphasize the lack of any pure socialist drive behind the Liberal program. New Zealand's leading economist of the 1930's, J. E. Condliffe, writes that while there was much interest in utopian socialism and the works of Mill, George, and Bellamy, Liberals did not apply any ready-made plan to New Zealand. Instead, two outstanding elements of their work were the use of state machinery for special purposes and a steadily deepening humanitarian trend. Condliffe supports Reeves' definition that "colonial governmentalism" is a truer description of New Zealand's practice than "state socialism." 24

The body of labor legislation formulated by the Liberals constitutes the basis of the present labor code in New Zealand. 25 More than any other phase of the Liberal program, it emerged from the work and inspiration of one man, William Pember Reeves, the "chief representative of culture" 26 in the Ballance ministry. The son of a pioneer journalist-politician, Reeves grew up in a household where

24 Ibid., p. 165.

25 Other than amendments and consolidations there were no new acts of importance until 1936 when the labor government enforced union membership in industries covered by arbitration court awards. An agricultural workers act empowered the government to regulate wages and conditions of farm laborers in the same year.

26 Shrimpton and Mulgan, p. 326.
conversation centered on English Gladstonian liberalism, rights of trade unionism, and educational reform. He made a scholarly record in Christchurch schools and later studied at Oxford. He returned to New Zealand, practiced law for a short time, and joined the staff of his father's paper, the Lyttelton Times. He maintained an interest in economics and studied contemporary works on social reforms in an effort to fit them to New Zealand's growing distress. Reeves was elected a Liberal member to parliament in 1887 and three years later Ballance invited him to join the cabinet as minister of education and justice.

Reeves authored most of the labor laws during the first Liberal term before Ballance's death and became the first labor minister in 1892. He remained in the ministry until 1896, but his relationship with Seddon was not harmonious.27 Appointed agent-general and later high commissioner, Reeves left for England and spent the rest of his life in London where he became an influence in Fabian society circles and director of the London School of Economics. He left a literary as well as a political mark upon New Zealand, writing a general history, The Long White Cloud, and a close study of progressive legislation in his State

27In Stout's absence, Reeves was a candidate for premier after Ballance's death but Seddon took the initiative and assumed leadership. Seddon had none of the background of liberal scholarship possessed by Ballance and Reeves.
Experiments in Australia and New Zealand. Mulgan has written this sketch of Reeves:

William Pember Reeves was the thinker, philosopher, and artist of the Cabinet, and in some respects the most gifted man our politics have produced. He was the first Minister of Labour in New Zealand, and the author of the great body of labour legislation passed in the nineties. Fastidious, thick-skinned, and not sparing of his exceptional wit, he was not the stuff of which popular leaders are made, but he cut a deep mark in our political and cultural life.

The labor legislation of the Liberals was introduced in a series of acts regulating conditions of employment in a wide range of occupations. The Factories act of 1891 incorporated recommendations of the 1889 sweating commission. The Shop and Shop Assistants act of 1892 regulated employment conditions in shops and offices. Wages of workmen were protected by a Truck act and by bills guaranteeing the wages of employees working for contractors and sub-contractors. Conditions of labor in specific occupations--coal mining, shipping, shearing--were regulated by special acts and a cooperative system was applied to public works contracts. The most important legislation, the Industrial Conciliation and Arbitration act, introduced a compulsory arbitration system for the settlement of industrial disputes. A Labor department was established to administer the new laws, collect in-

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29Mulgan, From Track To Highway, pp. 91-92.
formation on labor affairs, and help unemployed persons find jobs.

As finally amended, the main provisions of the Factories act provided for the registration of every factory (defined as any room where two or more persons were employed); included regulations governing ventilation, cleanliness, fire escapes, time for meals, and dining-rooms; and empowered inspectors to demand that employers make any arrangements considered necessary for sanitation.

The minimum age of employment was fixed at fourteen and holidays, hours, overtime, and the working week were carefully regulated. Specific rules dealt with the

30 The Factories act was first passed in 1891 and extended by 1894 and 1896 amendments.

31 By this definition the act was extended over a wide field. The smallest workrooms were made factories. An employer was regarded as one of the two persons.

32 Factory children between the ages of fourteen and sixteen were required to have a physical fitness certificate and to pass an examination based upon completion of the fourth standard.

33 Legal hours for women, and boys under sixteen, were fixed at forty-five. They were granted a half-holiday Saturdays, and six whole holidays during the year. No worker under sixteen could work more than three hours a day. The rates of pay and hours of work in factories had to be publicly notified and returned to the inspectors. Overtime was permitted twenty-eight days a year, but had to be at least sixpence an hour higher than regular employment rates. Generally the factory hours for male workers were not to exceed forty-eight a week. A minimum wage of five shillings a week for boys and girls under sixteen was prescribed, with a yearly increase of three shillings per week until they were twenty. See New Zealand Official Yearbook, 1894, pp. 220-225; Reeves, State Experiments, II, 39-43; Reeves, The Long White Cloud, pp. 315-316.
system of contracting work in an effort to prevent further sweating.\textsuperscript{34}

The Shops and Shop Assistants act of 1892 similarly governed conditions of employment in shops and offices. Its first object was to obtain a weekly half-holiday for shop-keepers and shop-hands.\textsuperscript{35} A fifty-four hour working week for women and young persons, an hour's allowance for mid-day meals, provision of seats for shop-girls, and sanitary inspection of shops were included in the stipulations.

Protection of workmen's wages was the subject of the Truck act of 1891, the Contractors' and Workmen's Lien act of 1892, and the Workmen's Wages act of 1893. The Truck act provided that an employer must pay the agreed wage in cash with no stipulation as to how it would be spent. Under the Workmen's Wages act a manual worker could claim weekly wage payment. An employer who sold goods to an employee could not deduct the cost from wages owed.\textsuperscript{36} Under the Contractors'

\textsuperscript{34} Factory owners had to keep records of all work given to out-workers with their names, addresses, payment. No contractor who took work could sublet it. No factory hands could take work home to be done after hours. All clothing made in a dwelling or unregistered workroom had to be labeled. New Zealand Official Yearbook, 1894, pp. 220-225.

\textsuperscript{35} The act provided that shops were to be closed at 1:00 p.m. one afternoon in each week. All shops were to close on the same day, to be chosen by local agreement. See Reeves, State Experiments, II, p. 189.

\textsuperscript{36} House-rent, meals, and medicine were exempt from this provision.
and Workmen's Lien act, a contractor's laborers could register a lien against the land or property on which they were employed if their wages were not paid. The property owner, on completion of the contract, was required to find out if the contractor had paid his men. If this were not done, he was obligated to hold back one-fourth of the contract money for a month so that unpaid workers could file for payment.\(^{37}\)

The Coal Mines Act of 1891\(^{38}\) was the only legislation governing special occupations during the first Liberal term. Later measures under this category included: the Shipping and Seamen's Act Amendment act of 1894, providing for the maintenance of seamen incapacitated through accident or illness and prescribing the minimum number of hands for vessels engaged in coastal trade; a Kauri-Gum Industry act of 1898 regulating gum-field activity; a Settlers Accommodation act of 1898, providing for shearing shed inspection and living conditions of shearsers; and a Mines act of 1897.

Former abuses of the contract system of public works resulted in the inauguration of a co-operative program. Government work was divided into small sections and offered at a price estimated by civil service engineers to a small party of workmen. Each group elected a trustee with whom

\(^{37}\)See New Zealand Official Yearbook, 1894, pp. 231-232; Reeves, State Experiments, II, 206-208.

\(^{38}\)Provisions related to mining conditions and required mine owners to contribute to a fund for the relief of miners or miners' families when men were injured or killed at work.
government officials dealt and materials were furnished by the government. Proponents of the plan contended the taxpayer thus escaped the cost of the middleman contractor. The co-operative system operated as a safeguard against unemployment when men were moved from a distressed district to various railway and road construction projects, throughout New Zealand.39 Seddon's biographer made this appraisal of the system:

Under the co-operative system, every worker is a contractor. He is his own master, and he has a personal interest in carrying on the work economically and successfully. Above all, it is claimed for the system, after fifteen years experience, that it places him on a higher plane, and enables him to comprehend more thoroughly the dignity of labor. As for the State, it benefits by having work carried out at the actual value. The system gives the Government complete control over the expenditure.40

A Department of Labor was formed in 1891 to administer the labor laws. Its function also included collection of labor statistics and efforts to relieve unemployment. Branch offices were established throughout New Zealand and reported regularly to the central headquarters in Wellington as to the state of the labor market throughout New Zealand. The department gave help in four ways to the unemployed: it engaged manual laborers for public works jobs; it selected and dispatched men to private employers who had applied for labor; it issued passes on state railways to transport men

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39See New Zealand Official Yearbook, 1894, pp. 231-234.
40Drummond, p. 150.
to sections of the country where employment could be obtained; and it picked men for special relief work. The twofold purpose of the Industrial Conciliation and Arbitration act was to bring industrial disputes to state tribunals for settlement and to regulate wages, hours, and conditions in industry. Reeves drafted the bill in 1891, but the government postponed its introduction until the following year. It was pushed in earnest in 1892 but delayed until 1894 by Legislative council amendments relating to compulsion and the Arbitration court. Topic of much discussion, in parliament and out, during the sessions of 1892 and 1893, it is treated here with other legislation passed during the first Liberal administration. The act provided a scheme of adjustment of labor disputes between unions of workmen and employers or groups of employers. The colony was divided into districts in which boards of conciliation would be established composed of equal representatives of employers and workers, with an impartial chairman.

41 When the men were sent to government employment the price of their railway tickets was afterward deducted from their wages, but if they went to find private employment, this was not demanded.

42 See New Zealand Official Yearbook, 1894, p. 370; Reeves, State Experiments, II, 216-221.

43 Individual workers and their employers or bodies of men not legally associated were outside the jurisdiction of the court.

44 The right to elect the conciliation boards and the assessors of the Arbitration court belonged to bodies of employers and workmen registered under the act.
registered under the act were compelled to take disputes with management before the local councils. While a dispute was being heard, strikes and dismissals were outlawed. The local council could call witnesses, gather information, and recommend an agreement, not enforceable at law. If either of the parties refused to accept the advice of the conciliation council, the case went to a central court of arbitration, composed of a Supreme court judge sitting with two assessors, representatives of capital and labor. The findings and awards of the arbitration court were binding. The Industrial Conciliation and Arbitration act made strikes and lockouts illegal for employers and unions bound by awards or industrial agreements. Reeves had hoped that conciliation boards would dispose of most disputes and that the court would function as a tribunal to hear more serious disagreements. But both parties came to prefer court awards to council agreements and the higher court has borne the burden of arbitration. A contemporary reviewer of New Zealand's arbitration system writes:

45Five persons could form a union and register under the act. A single employer or group of employers were eligible for registration. The court and boards had jurisdiction over all registered under the act and over all trade unions registered under the Trade union act.

By making decisions on disputed points the Court has developed into an effective piece of governmental machinery for the regulation of wages and working conditions. Apart from the prescription of minimum wage rates, the Court regulates industrial conditions to a degree that would not be possible through the direct intervention of the state. It would be difficult indeed to adapt acts of Parliament and governmental regulations to cope with the many problems arising from the small and dispersed industries of the Dominion. Although it deals only with the disputes which are brought before it, the Court may examine and pronounce upon any problem, however trivial or complex, arising from such disputes, and may regulate, in minute detail, industrial wages, hours, and conditions.47

(III)

An Auckland newspaper reader wondering what would be the policy of his morning paper toward the labor legislation foreshadowed by the Liberal victory could have noted some advance warnings in the tone of New Zealand Herald editorials concerned with industrialization and unionism in general. The country still smarted under the impact of its first widespread strike. Unionism was not in general favor. Believing New Zealand best suited for agriculture, the Herald turned to a somewhat drastic cure for labor trouble:

This much is certain, that without any retrogression in true civilization, without subjecting ourselves to anything but most trifling and temporary inconveniences, we could dispense with all the objects about which these strikes and labour troubles exist. And in this colony, if every manufacturing establishment were to be shut up, and we had to import every article which we cannot make by hand labor—although the present inhabitants of the towns might and

47See New Zealand Official Yearbook, 1894, p. 370; Reeves, State Experiments, II, 216-221.
would suffer severely for the time—the country on the whole
would be the gainer—would be healthier, happier, and in the
end, richer.48

This line of reasoning was carried a step further—to customs abolition—in a succeeding article:

We have no need naturally in New Zealand for a large
manufacturing population. We have only about 600,000 peo-
ple,49 and in any case a large portion of the machinery and
manufacturers used must be imported....But through the ef-
forts of those who believed in protection, combined with the
need of raising revenue through the customs, heavy import
duties were imposed and these tended to create to some ex-
tent manufactories. In trades so treated there have been
frequent strikes. These could be settled at once by
abolishing the duties that prevent the import of manufac-
tured articles.50

During the January-June parliamentary recess, the
Herald left little doubt as to its stand on trade-unionism.
Remembering that trade union activity had paralyzed the
transportation of the colony during the maritime strike,51
the newspaper contended that the men had risked starvations
of towns like Auckland, dependent on food supplies brought
from a distance. The fact that the trouble had arisen not
from any local complaints, but from an Australian bidding,
further damned unionism in the eyes of the Herald:52

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48NZH, April 10, 1891, p. 4.

49Official population statistics, excluding Maoris,
were 1891, 624,455; 1892, 650,433; 1893, 672,265.

50NZH, August 14, 1891, p. 4.

51In addition to its effect on the shipping trade,
the strike had temporarily tied up railway transportation.

52NZH, January 27, 1891, p. 4.
Trade unions are in the minority but they propose to make themselves an aristocracy of the most odious kind. An aristocracy without the high sense of personal honor, the culture, the education, or the graces of manner which form the characteristics of the aristocracy of birth in the old countries of the world, but as full of selfishness and class prejudices, and as regardless of the welfare of other classes, as any aristocracy or plutocracy in the world. They care nothing for the proletariat; their sole object is to raise their own wages, no matter what may be the injury thereby inflicted on other classes of the community.\textsuperscript{53}

Recognition of the right that every person could freely dispose of his capital or labor led the\textit{Herald} to qualify its approval when the arbitration and conciliation scheme was revealed before Parliament met in 1891. The claims of labor seemed too extreme for effective compromise. The destiny of the state was seen placed in the hands of "irresponsible schemers" as long as labor organizations could maintain claims to regulate labor according to their rules. The\textit{Herald} asked for legislation that would be an authoritative definition of the rights of labor.\textsuperscript{54}

A year later, after a good deal of the labor legislation had become New Zealand law and additions to the labor code were inevitable, the\textit{Herald} printed a pessimistic commentary on labor's use of its political power. Occasioned by the Homestead strike in the United States, the editorial treated unionism in general:

\textsuperscript{53}\textit{Ibid.}, January 27, 1891, p. 4.

\textsuperscript{54}\textit{Ibid.}, March 11, 1891, p. 4.
What would our forefathers think of our benign
toleration of the disturbances, political and commercial,
occaisioned by the incessant demands of labor--plus our
bestowing upon the working classes supreme political
power in the State. Yet side by side with these conces-
sions, go continued series of strikes by which the interest
of trade is damaged and the security of all other interests
in the empire shaken. It might have been supposed that
power possession would enlist that party on the side of
Conservatism, to defend privileges already won, but it is
to be feared that the doctrines which animate the impatient
masses have awakened ambitions and disclosed vistas im-
possible of realization.\footnote{Ibid., July 20, 1892, p. 4.}

Simultaneously the \textit{Herald} maintained that the union
of working classes for trade purposes was a useful and bene-
ficial institution. Its distortion under the name of "new
trade unionism" was held responsible for all the disorder
and loss of property and life in Britain and America.\footnote{Ibid., July 20, 1892, p. 4.}

The \textit{Herald} announced its verdict on the presence of
labor members after the house had been in session two weeks:

Whatever may be thought of the ideas entertained by
the labour representatives, it is well that they should be
in the House. They are the exponents of the thoughts which
are in the minds of a large portion of the people, and per-
haps there is no place where ideas, if they are dangerous,
may so safely find vent as in the House of Representatives.\footnote{Ibid., June 26, 1891, p. 4.}

The newspaper complimented the men on being quiet
and sensible, "not showing a vast capacity for mere talk,"
and being in earnest in their business. It was the \textit{Herald}'s
opinion that the labor members would support the Liberals
not because they liked the ministry, but because they thought their aims could best be achieved by supporting Ballance. William Earnshaw, one of the labor members, evidenced no similar toleration for the press during his first speech in the house on the financial statement. After supporting the land tax as a measure to "burst-up" the big estates, Earnshaw attacked newspaper criticism of Liberal measures:

We have had a continuous howl throughout the Press of the country—and it is to be recollected that more than nine-tenths of the Press is held by the honourable gentlemen of the Opposition ranks and those whom they represent, and it is hardly possible to get a grasp of the political situation of the colony.

The Herald made no comment on Earnshaw's reference to the press but evidenced alarm at his regard of the land tax solely as a means to gain subdivision of big estates. The Herald speculated that Earnshaw's fellow labor representatives must have considered him indiscreet in making so frank an avowal of the purposes of his party. Concluded the editorialist:

It has always been a matter of reproach to the House of Representatives that the two parties in it were engaged for a contest for place....It was simply a matter of ins and outs. It is very different now. The Radical party is struggling to burst up big estates...whether means are just or not. If told that a particular measure will press on particular men the answer is that is what is meant. What the result will be it is difficult to foretell, but at all events, there are now two parties in New Zealand.

58 Ibid., June 26, 1891, p. 4.
59 P. D., LXXI, p. 447.
60 NZH, July 6, 1891, p. 4.
After this, the *Herald’s* attitude toward the labor members reached petty depths. The Payment of Members bill, increasing the representatives’ honorarium, was regarded as largely due to their influence. An end-of-session roundup editorial termed the labor members extreme democrats who were determined to advance the interests of their class without regard to injury done others.

The Factories bill of 1891 was the first labor law demanding *Herald* discussion. Admitting that the measure included excellent protections for labor, the newspaper listed its objections: the system would be irritating and expensive for owners; it might restrict the investment of capital in factory expansion; it was a one-sided law forfeiting the opportunity to blend interests of employers and employed under terms favorable to labor’s wants and capital’s rights; to be just the measure should have made it an offense for workers to accept employment in factories not complying with the act. The inspection system aroused the most heated criticism. Under terms of the bill, factory inspectors were empowered to enter any factory and question employees about working conditions. Later they could recommend any changes necessary to bring the factory into line with the bill’s requirements. The *Herald* complained:

To entrust the most conscientious of mortals with such inquisitorial powers would be a dangerous experiment. In such circumstances the proprietor must become the mere slave of the inspector or his absolute master, for unless the former is corruptible, and the temptation to be so would be great, he could ruin his victim in six months were he so minded.  

Looking back on the nineties, Reeves wrote that it had caused more trouble and friction to pass the Shops and Shop Assistants' act than any of the other dozen or so labor statutes which were its contemporaries. He explained the squabble evidenced that the opposition picked the shop act as the most promising battle-ground.  The Herald greeted its third reading late in July, 1891, with the blunt assertion that the government could not expect the acts to be supported—the common sense of the community would allow evasion of the provisions without accounting this a fault.  Though the law was not ostensibly an early-closing act, by limiting the working hours of women and boys it indirectly lead to earlier closing.  To read Herald editorials during the first session, one would assume the measure demanded that all shops lock their doors at 5:00 p.m. Indicative of the extreme position was an editorial lamenting the supposed affect in Auckland:

64Ibid., August 3, 1891, p. 4.
65Reeves, State Experiments, II, 188.
66NZH, July 30, 1891, p. 4.
67Reeves, State Experiments, II, 189.
For instance, at the present time, the San Francisco steamer often comes in in the evening and leaves early next morning. The passengers have purchases to make, but hereafter these cannot be made here. It has been the custom for a bookseller at the Arcade to open to accommodate passengers with any books they may want, and to sell stamps to enable the passengers to post letters. Henceforward, a corps of detectives will see that these crimes are put a stop to. 68

Other Herald comments on the proposed bill were that it would greatly inconvenience the wives of working men, and was generally against the "present economic notions of the majority" since well-to-do-people could easily shop during the day. 69 As was the case with the Factories act, the Herald complained that the Shop act was only operative against the employer. No one was employed against his will and thus the worker was jointly responsible if conditions were violated. 70 The Herald supported the Legislative council's action in killing the bill in 1891 and continued its opposition during the second session. Still describing the measure as one aimed solely at early closing, the Herald skeptically responded to its success in 1892 with the prophecy that "it would be largely evaded and very likely become a dead letter." 71

The Herald considered the workmen's lien bill was overweighted in favor of labor:

68 NZH, Loc. cit.
69 Ibid., August 3, 1891, p. 4.
70 Ibid., August 4, 1891, p. 4.
71 Ibid., August 14, 1892, p. 4.
Reviewing the whole trend of recent legislation, it seems to us that the pendulum is swinging to an extreme, and that with a possible honest desire to protect workmen against dishonest contractors, the proposed bill will press so heavily on employers as to restrict trade and prevent enterprise. Working men will need to beware of their professed friends, and of going too fast and too far. Money is sensitive, and it can afford to wait. If they incite or allow the heads or tails of their party to unduly hamper employers or capital, labour will suffer most. 72

The Herald viewed the co-operative system of public works with immediate distrust after Seddon outlined the scheme in May, 1891. The newspaper's arguments centered on the contention that the workers would doubtless loaf if they did not have an overseer. "Co-operation," speculated the Herald, "would be solely among the men themselves—to take as much from the taxpayer as possible in the shape of money and return little in the shape of work." 73 The newspaper considered the nine shilling rate per day high and expected that men would flock to government employment. A theoretical argument was added:

We object to a system of socialism being introduced into public works, before the Socialistic Millennium comes to us all. It may be very well for Mr. Seddon to show off his Bellamyism in the public works department, but we must have it all round if we have it at all. 74

There was little retreat from this position after the system had been in operation two years. The Herald was insistent in calling for a full report on the program

72Ibid., August 5, 1892, p. 4.
73Ibid., May 29, 1891, p. 4.
74Ibid., May 29, 1891, p. 4.
during the 1893 session. The newspaper continued to argue that the wages paid under the cooperative scheme were too high, that the same amount of work could be done for half the cost if privately contracted, that there was general inefficiency in its operation, that public works would be better abolished if conducted in the co-operative manner.\(^7\)

Although the *Herald* reacted doubtfully at first to the creation of a labor department,\(^6\) the department's success in reducing unemployment during 1891-92 accounted for the newspaper's first approval of any measure related to Liberal labor legislation. The results of keeping up-to-date labor statistics and assisting the transferral of workers from crowded districts to places needing labor\(^7\) were viewed as being "encouraging in the extreme."\(^8\) The *Herald* noted with approval that the congestion of labor in large towns had been reduced. Some fear of direct aid was evidenced:

There cannot be doubt that the introduction of the Bureau has been and will be a great benefit to both employers and employed, as a means of bringing those parties together.

\(^7\) *Ibid.*, May 13, 1893, p. 4.

\(^6\) It was regarded a step in the "doing of everything by Government machinery." See *NZH*, June 8, 1891, p. 5.

\(^7\) During the first year, transportation assistance had been given 2,974 laborers. Of these, 2,000 found private employment, the others were engaged in public works.

\(^8\) *NZH*, October 3, 1892, p. 4.
for their mutual advantage and that of the country at large, but as the scheme is likely to take large proportions the question of cost will need to be considered, also the point of continuing material aid to persons professing to need employment....It is clear that the maintenance of such a system may not only be liable to abuse, but it confers a great power upon the Government, viz., that of subsidising labor. Moreover, the scheme as a whole is rather too parental for self-relying communities. Let us therefore hope that time and experience will tend to eliminate its political features, and leave its economic advantages to future generations.79

The decrease of population through emigration ceased abruptly in New Zealand during 1892. Traffic between the two Australasian colonies suddenly reversed and in the next two years, 37,025 migrants arrived in New Zealand from Australia.80 Though general relief was felt over the end of the "exodus," there was no little alarm over the effect a severe population increase would have on the employment situation. The Herald pointed out that unemployment was less sympathetically handled in Australia81 than in New Zealand and warned that some means of checking pauper immigration would have to be adopted.82 The labor bureau's work and co-operative public works were viewed as offering further incentive for the movement from Australia to New Zealand. The Herald urged that the publicity these ac-

79Ibid., October 3, 1892, p. 4.
80New Zealand Official Yearbook, 1894, p. 72.
81The argument was carried to professing that it was cheaper for Australia to pay the pound sterling passage rates to New Zealand for her unemployed than to keep them at home.
82NZH, December 3, 1892, p. 4.
tivities received in Australia be modified to show that employment conditions were still unpromising. This view was voiced in stronger language in June, 1893, after a group of Australian emigrants had gathered on parliament grounds in Wellington agitating for work:

The conclusion is inescapable that there is some connection between professions of the present Ministry and the agitation and cry of the unemployed....It cannot be wondered at that the present Ministry have created beliefs that they will undertake to find employment for all who want it. We believe that by their declarations they have induced some men to come from Australia, who are most unsuitable colonists.

The Herald's initial reaction to the proposed conciliation and arbitration project was an expression of regret that nowhere in the scheme would the "general public" be represented:

The people who are not employers or wage-earners will not be represented at all. Everyone is excluded except the two directly influenced classes. In other words they exclude everyone who can by any possibility belong to a social class above that of the manual worker; everyone who has enlarged his mind by the study of science or literature; everyone who by his experience in public affairs or in the conduct of his own business, may have learned the lesson these people have yet to learn—that the world is not made up of employers and wage-earners.

Little attention was paid by the Herald to industrial conciliation during the first session. The newspaper printed a lengthy description of Reeves' bill when it was

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83 Ibid., December 6, 1892, p. 4.
84 Ibid., June 24, 1893, p. 4.
85 Ibid., February 18, 1891, p. 4.
introduced in the house, and proffered tentative approval of the council and court machinery. The editorial concluded:

To sum up, upon the whole it may be said that the intention of the bill is for good, but if it becomes law, as at present drawn, the consequences for good and for evil by which it may be followed have not probably been foreseen by its authors, because it unites and strengthens both sides in all disputes between capital and labour, and provides them at the same time with a tilting ground, which is not likely to be often vacant, so long at least as the pretensions of the latter remain unabated. 86

Beyond supporting upper house obstruction of the act in 1891 and 1892, the Herald devoted little space to discussion of arbitration and conciliation. By 1893 when the full weight of the government was behind the bill, the newspaper resumed criticism:

The novel principle is that the whole arrangement is compulsory. The law forms employers and employed into two camps, and on the occurrence of any dispute which cannot be settled, it must come before the Court. Then the decision of that Court is to be enforced by law. In no other country has this been attempted, and the best authorities on the subject have declared that any such scheme would be a failure....There would be some chance of good being done in the avoidance of strikes if such legislation were entered upon by persons who were anxious for that purpose only. But a suspicion attaches to any Bill drawn by a Minister of Labour, who regards employers as social pests, and looks forward to the day when everything will be done by co-operation. Those who inaugurate labour legislation should remember that it is a very dangerous weapon, and unless carefully used may be most injurious to those whom it attempts to benefit. 87

Other arguments advanced by the Herald during 1893 maintained that conciliation councils would add a new set of

86 Ibid., July 29, 1891, p. 4.
87 Ibid., August 10, 1893, p. 4.
officers to an already overgrown civil service,\textsuperscript{88} that it would be impossible to enforce awards equally on both sides,\textsuperscript{89} and that the court's compulsion would be unjust.\textsuperscript{90} When the government dropped the bill after the Legislative council stripped it of compulsory clauses, conciliation and arbitration was added to two other labor measures delayed until 1894.\textsuperscript{91} The \textit{Herald} predicted:

> These bills, perhaps in a worse form, still hang over us. They will be renewed next session if the present Government is in power. Every man who declares himself a supporter of the Government is pledged to vote for them. If in the coming elections the Ministry secure a majority, we shall see all these bills again, and the resistance to them will be weakened.\textsuperscript{92}

(IV)

The \textit{New Zealand Herald} displayed more consistent opposition to the labor measures than it had shown toward any other category of Liberal party legislation. Labor entered the nineties in ill grace as a result of the maritime strike. It never regained the \textit{Herald}'s confidence. A wistful glance backward led the newspaper to express prefer-

\textsuperscript{88}\textit{Ibid.}, May 25, 1893, p. 4.
\textsuperscript{89}\textit{Ibid.}, May 25, 1893, p. 4.
\textsuperscript{90}\textit{Ibid.}, September 26, 1893, p. 4.
\textsuperscript{91}\textit{The Shipping and Seamen's Act amendment bill and a Railway Act amendment bringing railways under the direct control of the minister of public works.}
\textsuperscript{92}\textit{NZH}, October 9, 1893, p. 4.
ence for a purely agrarian New Zealand, aborn of industrialization and its trade unionism trappings. From an initial expression of support for the labor members in the house, the Herald drifted to a critical regard of their work in advancing the interests of a single class. While admitting that the protective measures of factory legislation were needed, the broad powers of inspectors were held to discredit any good resulting from the Factory act's operation.

The most severe criticism was leveled at the Shop and Shop Assistants act. In treating this measure, the Herald resorted to a rarely-employed distortion of fact. The basic issue of private vs. government enterprise entered into the Herald's opposition to the co-operative scheme of public works. Labor department success in relieving urban unemployment won Herald support for this phase of Seeves' program. In the conciliation and arbitration plan, the Herald saw a legal battleground for industrial disputes. The newspaper's reaction was to predict that once the elaborate machinery was established, there would be a never-ending succession of disputes. The absence of representatives from "the general public" on conciliation councils was considered an objectionable omission. The novelty of the program created Herald distrust, as did the prospect of its operation under men of Liberal conviction.
CHAPTER VII

THE LIBERAL PROGRAM: FRANCHISE

Franchise reform was little mentioned during the election campaign of 1890. So occupied were Liberals with land, labor and taxation that many candidates omitted all mention of the need for changes in the nation’s electoral laws. The fact that Liberal demands for accessible land, for employment, and for relief from property taxation loomed larger than agitation for electoral reform is a partial cause for the dwarfing of franchise consideration. More important was the progress already made—the demands met and pressures relieved—during preceding years. Lipson sums up the period between 1852 and 1890:

Sometimes following, sometimes anticipating the parallel developments in the mother-country, youthful New Zealand could boast after thirty-five years of self-government an electoral system more democratic than she had received at birth. The changes had been many and for the most part along progressive lines. But the Liberals knew, and the Conservatives feared, that more remained to be done. Voting rights had been extended to a wider circle of citizens; and, if to some, why not to all?.... One man at last had only one vote, but the farmer’s vote counted for more than that of the city dweller. Such is the summary of the electoral balance sheet.... The surplus was on the credit side of democracy.¹

¹Lipson, p. 43.
By 1893, voting rights had been extended to a far wider circle by the enfranchisement of women. The principle of one-man-one-vote had been carried a step further by limiting registration to one district. These measures were final moves in establishing a fully democratic franchise. Before discussing the franchise reforms of the nineties, it is necessary to examine the structure to which they were added.

The 1852 constitution extended the franchise only to the propertied. To qualify, a man had to own a freehold valued at £50, or possess a leasehold to the annual value of £10, or rent a dwelling at £10 a year in a town or at £5 a year in the country.² No restriction was placed on the number of electoral districts in which one person could vote. Except for the introduction of the secret ballot in 1869, the electoral law remained virtually unchanged until 1879. The franchise extension of that year forms Liberal party, as well as electoral, history.

Grey's Liberal government had ascended to power late in 1877. During the recess before the session of 1878, Grey traveled throughout New Zealand giving particular emphasis in his speeches to the necessity for franchise reform.³ Although Grey sought the end of plural voting, the bill intro-

²After the influx of gold miners, miners were allowed to vote on producing licenses to mine issued at an annual fee of one pound. See Stout, p. 95.

³Wilson, p. 68.
duced by his ministry extended franchise to all adult males
with the addition of a residential qualification, but per-
petuated plural voting by retaining the property qualifica-
tion.\(^4\) Grey's government went down in defeat without carrying
the electoral bill.\(^5\) However, there had been little
Conservative opposition to the measure in its final form, and
it was subsequently passed by Sir John Hall's government.
Hall,\(^6\) a leader in the Continuous ministry, consistently ad-
vocated electoral reform and later joined Stout and Ballance
in pushing women's franchise. The 1879 bill, passed under

\(^4\)Wilson holds that Grey's ministers--Ballance and
Stout--were reluctant to take the entire step toward one-man-
one-vote. See Wilson, p. 70.

\(^5\)Grey refused to accept an upper house amendment ex-
cising the right of Maori taxpayers to vote in European
elections, surrendering his bill instead. An Act of 1867
had given Maoris the right to vote for four members of Par-
liament.

\(^6\)Sir John Hall (1824-1907) left a position with the
British post-office to emigrate to New Zealand in 1845. He
settled in Christchurch and was soon active in local and pro-
vincial politics. He was elected to parliament in 1855,
serving as colonial secretary in the Fox ministry. After a
term as mayor of Christchurch, he was called to the Legisla-
tive Council in 1863, resigning his seat in 1866 to success-
fully run for a seat in the house. He then served as post-
master-general for three years under Stafford and was recalled
to the upper house. He resigned again from the council to
lead the opposition and form a ministry after Grey's defeat.
He left parliament in 1882 because of ill health but re-
turned four years later as an avowed electoral reformer. He
introduced the women's franchise bill in 1891 and retired
from parliament in 1893 after it was passed. See DNZB, I,
343-345.
Hall's leadership, was based upon a residential qualification permitting any twenty-one-year-old man to vote if he had been in the colony for one year and in his electoral district for six months. Although the act reduced the qualifying freehold value from £50 to £25, the result was to facilitate the practice of plural voting. Also included was a clause reducing parliamentary terms of office from five years to three.⁷

No additional changes were made in franchise qualifications until 1889, but during the intervening decade, pressure against plural voting intensified. A nucleus group, composed of both Conservatives and Liberals, maintained a constant fight for electoral reforms. They rallied around Grey when his amendment embodying the principle of one-man-one-vote was added to the Representation Bill of 1889. Carried on the eve of the elections, the bill abolished plural voting, but a last relic of the old system was retained—a man could register in any district in which he was qualified by property or residence and later choose the electorate in which to vote.⁸

The question of women's franchise had been discussed in parliament several years before 1891. Four men—Hall,  

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⁷Wilson, pp. 68-76; Shrimpton and Mulgan, pp. 300-302; Lipson, pp. 19-25.  
Vogel, Stout, and Ballance—brought the question to the front soon after the abolition of provinces and kept it there until it was finally carried in 1893. The first formal measure involving women's right to vote was introduced during Grey's government in 1878. By its terms, all women who were taxpayers would have been able to vote for parliamentary candidates, but the bill was defeated, and not until 1887, the final year of the Stout-Vogel government, was a measure introduced embodying the principle of a general extension of suffrage to women. The measure did not survive its second reading. No additional move toward women's franchise was made during the final term of the Continuous ministry, but support was strengthened, within and without Parliament, in preparation for victory under the Liberals.

Thus, major increases in the number of New Zealand voters, abolition of plural voting, and strengthened support for women's suffrage all had been accomplished before the Liberals came to power. There was a fourth trend in the development of the electoral system before 1890 that ran counter to the character of a liberal franchise. The "country quota" was a means of artificially bolstering the voting strength of farm dwellers. Under the plan, which remained a feature of the New Zealand electoral system until 1945, a

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9At this time, women taxpayers could vote in municipal elections.

10Reeves, State Experiments, I, 106-110; Lipson, pp. 168-169.
fictional addition was made to the rural population. After periodic censuses determined urban and rural\textsuperscript{11} population, the actual figure for country dwellers was increased by twenty-eight per cent. This figure was added to the actual urban population to give a nominal electorate total which was the basis for determining the quota of population for an electoral district. Thus in 1890 an urban district contained 9,700 people, while a rural district contained 7,500. Each elected a single member to parliament.

The "country quota" was first introduced in 1881, the product of the farmers' fear of growing urban strength. Originally fixed at twenty-five per cent, the quota was lowered to eighteen per cent under the Liberal Stout-Simpson ministry. Farmers again dominated during Atkinson's final term and the quota was pushed forward to twenty-eight per cent.\textsuperscript{12} "The results," wrote Reeves, "were to be a long disappointment for Conservatism; for more than twenty years the rural vote failed it."\textsuperscript{13}

\textit{(II)}

Among the first measures introduced by Ballance's

\textsuperscript{11}Rural was defined to include all who lived in communities of less than 2,000 or more than five miles from the general post office of the four principal centers.


\textsuperscript{13}Reeves, \textit{The Long White Cloud}, p. 272.
government when parliament convened in June, 1891, was an electoral bill providing that a man could register only in one constituency. The measure was aimed at removing the last remnant of plural voting. Though the theory of the single vote had been embodied in the 1889 act, a man who owned sufficient property in several districts could still register in each of them and he could then await election day to choose the constituency in which he would cast his one vote. The abuse of the system was apparent in 1890 when votes were strategically directed to districts where contests were close. In addition, men who were registered on several rolls could vote at all by-elections occurring in districts where they met property qualifications.

The 1891 bill also provided that Maoris possessing freehold property to a value of £25 would be qualified to vote for European representatives; that electors' rights possessed by seamen—the right to vote by mail—be extended to commercial travelers and shearers, and that the names of electors who failed to vote be removed from rolls until they had re-registered.

Women's franchise was not included in the initial bill but Liberals quickly threw their support behind Sir John Hall's amendment extending suffrage to women. The entire bill

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14 The property or non-residential qualification was not abolished finally until 1896.

15 New Zealand Official Yearbook, 1894, pp. 252-253.
was lost during the first session. Although it was successfully carried through the house, the Legislative council blocked both parts of the measure. The upper house simply removed the clause providing for single registration, and the women's franchise amendment failed by two votes.  

During the recess before the session of 1892 the question of women's voting rights became more than a political issue. A vigorous temperance movement had been organized and its leaders saw a great opportunity for success of their cause in the enfranchisement of women. Simultaneously, brewers and liquor dealers developed their special interest in the feminine vote and contributed to the support of the forces opposing the new franchise extension.

The electoral bill again passed through the house with ease in 1892. Rather than kill it outright, the Legislative council tampered with its provisions by inserting a clause stipulating that women should vote by mail, using the same electors' rights allowed to seamen. The councillors argued that women should not have to go to the polls in bad weather, that it was unreasonable to ask women in country districts to ride several miles to vote, and that women employed in factories would not have time to go to the polls.

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16P. D., LXXIV, pp. 319-325.
17Reeves, State Experiments, I, 109-110.
18P. D., LXXVIII, p. 380.
When the bill was returned to the house, Seddon was acting-premier during Ballance's illness. Under his leadership, the Liberal majority refused to accept the council's amendment, maintaining that balloting by mail would place needless obstacles in the way of women voting, and would destroy the secrecy of the ballot. ¹⁹

By 1893, the Conservative majority in the upper house had been reduced by Ballance's appointments, and success for women's franchise seemed assured. The prohibition cause was strengthened during the session by the passage of an Alcoholic Liquors Sale Control act; giving electors the right to determine whether liquor licenses would be reduced or cancelled entirely within their constituencies.²⁰ The electoral bill survived the council vote with a majority of two and became law September 19, 1893, in time to enfranchise New Zealand women for the November 28 election. Women's suffrage was regarded with high expectation from scattered quarters. To the Liberals it marked the final step in gaining universal franchise. Too, they looked to the feminine vote to streng-

¹⁹P. D., LXXVIII, p. 431.

²⁰Under the Licensing act of 1881, small districts exercised local option. Power was in the hands of a committee elected by taxpayers. The 1893 measure set up districts co-terminous with electoral districts. Electors for the house were to vote on three questions: whether the present number of licenses would continue; whether the licenses would be reduced; whether any licenses would be granted. See New Zealand Official Yearbook, 1894, pp. 258-260.
then demands for social reform. The Conservatives anticipated a display of womanly conservatism. The temperance societies considered their battle won. Churchmen hoped for increased support for clerical education.

During the election of 1893, 90,290 women voted, eighty-five per cent of those registered. Prohibition was carried in only one district and Liberals gained in strength. Reeves summarized the effect of the admission of women to the electorate:

It is true to say (in 1898) that most of the women voters show as yet no disposition to follow the clergy in assailing the national system of free, secular, and compulsory education. They clearly favour temperance reform, but are not yet unanimous for total prohibition. On the whole, the most marked feature of their use of the franchise is their tendency to agree with their mankind....Perhaps the right of every adult woman to vote is more remarkable for what it has not brought about than for what it has. It has not broken up existing parties, unsexed women, or made them quarrel with their husbands, or neglect their households. It has not interfered with marriage, or society or the fashion of dress. Observers outside the Dominion need not suppose that New Zealand women are in the least degree either "wild" or "new" or belong to any shrieking sisterhood.

The Representation act of 1889 had reduced European members in the House of Representatives from ninety to seventy but the Maori quota of four members had been unchanged. New Zealand was divided into fifty-eight rural

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21 Reeves, State Experiments, I, 125.

22 Fourteen districts favored license reduction.

23 Reeves, The Long White Cloud, p. 313.
districts having one member each, and four city electorates with three members each. The amalgamation of city constituencies was an alteration of a former system under which the four centers were divided into three single-member electorates. No changes were made in these divisions during the first Liberal administration.

The Liberals neither advocated nor effected any alteration of the country quota. From 1890 to 1912, while the small farmer remained in the Liberal-Labor alliance, the quota device was obviously working in their favor.

The cry, "one man one vote," has resounded throughout these colonies lately as if it were a heaven-inspired maxim which had lately been discovered by certain democratic politicians, as if it were something upon the recognition of which the safety of society depended....At the present time, the merest waif, who has no interest in the country, who means to quit it as soon as possible, whose interest may lie in the direction of injuring the country, has as much political influence as the man who has lived here for many years, who has embarked in the colony the savings he had made for his old age, and who therefore is desirous that it shall be well and prudently governed.

24 The European membership was increased to 76 in 1902 and the cities divided again into single-member districts in 1903.

25 After 1912, the country quota aided the conservative Reform party for many years. Originally, Labor advocated ending the quota. But they received enough rural support in 1935 to be hesitant about alienating small farmers. When farmers returned a strong anti-Labor vote in 1943, the way was clear. Labor used its majority in 1945 to abolish the quota outright. See Lipson, p. 181.

26 NZH, April 24, 1891, p. 4.
A succession of editorials in this vein early in 1891 demonstrated that the Herald was not easily surrendering to the principle of a single vote for every man, with equal weight given residential and property qualifications.

By the time the Liberals introduced the electoral bill limiting a man's registration right to one constituency, the Herald had begun to advocate a substitute safeguard for conservative interests. Since "all sorts and conditions of men were enrolled under the new electoral banner," the legislature could no longer represent thinking men; the only safe course would be to adopt a scheme of proportional representation. The idea was further developed in an editorial late in the year:

Electoral majorities cannot be relied on to represent the feeling of the country or its needs. The minority remains unrepresented....In New Zealand's case the havenots are on one side and the possessors of property on the other. To the former now belongs the political power, although it is not denied that to the latter appertains the responsibility. That these should be disfranchised to a great extent by the operation of our electoral laws is plainly a misfortune to the country, which thereby loses the benefit of the practical knowledge which comes of an acquaintance with affairs and with the business of the world, the result of their position in life.

The Herald criticized the Conservative opposition for not actively backing the Hare system of preferential

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27 Ibid., August 20, 1891, p. 4.
28 Ibid., August 20, 1891, p. 4.
29 Ibid., December 9, 1891, p. 4.
voting, seeing in its adoption a cure for the "anomalies that spring out of the practice of giving the preponderance of political power to the ignorant, the dependent, and the irresponsible. In a subsequent article, the newspaper stressed the need for the country's sending more suitable representatives to parliament—men better informed of the consequences of their legislation than current members. Blame for parliament's low caliber was placed again upon the operation of the party system when linked with political victory by bare plurality. Able candidates were discouraged:

In every district there are persons better informed than the masses, and more interested in the election of prudent and practical men to Parliament than the mere voter by virtue of his manhood. However, in order to secure the services of such, probabilities of a successful candidature must be opened to them, a result which can only be brought about by a readjustment of the representation system.

30 Tasmania was the only Australasian colony to use even a modified system of preferential voting. Reeves explained that the reluctance of colonials to adopt the scheme was largely due to the large size of country constituencies. Hare's scheme best operated when there were six to eight contestants. This number did not usually come forward to campaign in New Zealand. See Reeves, State Experiments, I, 181-191. The Liberal record at the polls proved the Herald's warning correct. In 1890 they won thirty-eight seats with fifty-six per cent of the votes; 1893, fifty-one seats with fifty-eight per cent; 1905, fifty-five seats with fifty-four per cent. Lipson illustrates that the defects of the British system of single-membered districts and simple plurality victories were duplicated in New Zealand. See Lipson, pp. 185-190.

31 NZH, December 12, 1891, p. 4.

32 Ibid., December 12, 1891, p. 4.
After the Legislative council had blocked the passage of the electoral bill during the first session, the Herald credited the upper house with saving New Zealand "from going the whole length of the Socialistic road." The argument against single voting was repeated:

One-man-one-vote has lately been the great democratic cry in these colonies. The object and purpose of that was to make the town loafer the electoral unit, and to bring everybody down to his level. The man without character, without education, who would not work if he could avoid it, and who had no stake or interest in the country, was to have precisely the same amount of political power as the man who had embarked a large amount of money in developing the country's interests, or as the sober, steady artisan who had created a house for himself, and who had brought up a family of respectable colonists.

The Herald continued, in 1892, to fight the already-lost battle of one-man-one-vote. In April, its editors decided that an inquiry into the foundations on which universal suffrage rested might be enlightening. Grounds for "the innovation" were the assumed right of all members of a community to take part in its councils and the theory that all who contributed to customs revenue were entitled to representation. The first right, in the Herald's opinion, carried with it the responsibility to support the state by person, purse and influence. But in New Zealand's experience, many were unable to perform their part of the contract, thus

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33 Ibid., November 26, 1891, p. 4.
34 Ibid., November 26, 1891, p. 4.
35 Ibid., April 16, 1892, p. 4.
corrupting the doctrine of universal right. Considering the
customs payment qualification, the Herald argued that if tax-
ation was the test of franchise eligibility, then a minimum
amount of taxation could not confer the maximum extent of
representation. The two factors had to bear a proportional
relation to each other to secure a just system.36

By the session of 1892, women's franchise far over-
shadowed the electoral bill to which it had been attached.
There was little in Herald editorial columns then or during
the months of 1893 of direct bearing to single registration.
A parting shot was fired, however, late in September, 1893,
when the measure had become law:

One of the provisions of the Electoral Act will have
to be kept in mind by those who are so unfortunate as to be
entitled by ownership of property to vote on more than one
electoral roll. Formerly, if a man lived in Eden37 district,
while he carried on business in the city, he was entitled to
be on the roll for both. We never thought that these men
were the worst class of electors, or that their exercising
the suffrage in two constituencies was any danger to the
country. It is so, however, according to Liberal ideas.
By the previous Electoral act a man could choose which con-
stituency he would vote in on the day of the election. But
even this is now a crime.38

As soon as it was evident that Hall was going to
amend39 the electoral bill to extend suffrage to women, the

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36Ibid., April 16, 1892, p. 4.
37A suburban district of Auckland.
38NZH, September 28, 1893, p. 4.
39Hall's amendment simply altered a clause in the
electoral bill, "person does not include female," to "person
does include female." P. B., LXXIII, p. 308.
Herald devoted an approving editorial to the subject. Here was a matter that was "discussable without that bitterness which is apt to characterize controversies which split parties into fierce and rival camps." The newspaper termed women's franchise a serious constitutional change with far-reaching consequences for world betterment. Women had proved themselves capable of sound judgment on political questions in spite of their artificial training. New Zealand could do much worse amidst all its democratic upheaval than setting the example of allowing women to vote.

Perhaps a more practical reason for the Herald's support was suggested after the measure had been discussed in the house:

The enfranchising of women would probably bring into the field of politics a powerful Conservative force, the extent of which it would not be easy to estimate, but which would certainly be directed in opposition to theories and in favour of practical ends. This question has now occupied the attention of advanced thinkers for many years. Ballance and his friends are of that denomination... so the country may soon have a highly important addition to the electoral law, the working of which will be watched with eager curiosity, but also with confident hope. Indeed, it is not going too far to assert that the female vote would go far to neutralize the evil consequences of the attempt to reduce to one level the multiple and varied powers catalogued under the general name of elector.

The Herald agreed in part with Conservatives who spoke against the bill during its second reading by

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40 NZH, June 29, 1891, p. 4.
41 Ibid., June 29, 1891, p. 4.
42 Ibid., August 20, 1891, p. 4.
editorializing that it would be better to delay feminine suffrage as New Zealand was already engaged with a number of political experiments.43 But the newspaper again held out the hope that the feminine vote might be a calming influence:

It might rather be hoped that women coming into politics would infuse something of the purity and prudence of the sex into a region where these qualities have hitherto not been conspicuous....If the present bill passes both houses, the position will be quietly accepted, and we may say that we do not think that any House elected by a suffrage including women could act more recklessly as respects the best interests of the country than have our legislators for the last twenty years.44

The Herald expressed only mild disappointment when the upper house killed women's franchise in 1891; its passage the following year was regarded a certainty.45

During 1892 the Herald continued its support for women's franchise, usually linking its approval with the assertion that success of the measure would introduce a needed conservative element to the electoral system. The council's action in amending the bill to provide that women vote by mail was regarded with disfavor. The Herald's stand centered on the theory that if women were to have equal rights with men, they should go to the same polling booths and record their votes. Women would improve election-
day conduct. But the Herald did not believe that the question was worth a contest between the houses—it would be absurd for the government to drop the bill because of such a petty difference.

The Herald attributed two reasons to the government's abandonment of the amended bill: the ministers did not wish to allow the upper house to do any legislative work; and some ministers, particularly Seddon, had been insincere in supporting women's franchise and capitalized on an opportunity to delay it. Both houses were criticized:

For our part, we think both sides were wrong. The point of difference was of no importance, involving no principle. The Council ought not to have insisted on the electoral right to which the objections were reasonable and substantial. But if they did insist, the Government, who ruled the house of Representatives, ought to have given way.... We cannot see what the Government have to gain in this matter. They can scarcely make a howling grievance over the loss of the Bill, for the reply will be, that they could have had it passed into law by accepting an amendment of very slight importance.... The way in which the whole business has been conducted seems to lend colour to what has several times been asserted, that on both sides there is a

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46 This was in answer to arguments by the opposition that women should not be subjected to the rowdiness accompanying polling activity.

47 NZH, September 21, 1892, p. 4.

48 Ibid., September 26, 1892, p. 4.

49 There was a good deal of truth in the argument: Seddon was acting-premier when the amendment was considered. He had never been in favor of women's franchise, and was sharply criticized by the party for the action taken in 1892. See Drummond, p. 199.

50 NZH, October 10, 1892, p. 4.
strong but hidden antagonism to granting the franchise to women, and that the opposition to the principle, not the difference on matter of detail, has been the cause of dropping the Bill.51

By 1893, leagues of women supporting feminine franchise had grown in strength and began to agitate more loudly outside parliament for their cause. Until that time there had been little organized political action among women.52

The Herald devoted two editorials during the session to cautioning them about proper tactics. In the newspaper's eyes, some of the speeches had been indiscreetly concerned with grandiose plans for the future—among them, a clean sweep of the liquor trade.53 Commented the Herald:

Men might, on the same way of reasoning, commence a crusade against milliners' shops. If many men have been ruined by drink, many women have been ruined by a desire for fine clothes. At all events, it seems as if women lose their chance of obtaining the suffrage this session, the blame must be laid on some indiscreet advocates amongst themselves.54

But the Herald greeted the final passage of women's franchise in September with a note of pride. New Zealand had the honor of being the first community in the Empire to

51Ibid., October 10, 1892, p. 4.

52Reeves wrote: "So, one fine morning of September 1893, the women of New Zealand woke up and found themselves enfranchised. The privilege was theirs—given freely and spontaneously, in the easiest and most unexpected manner in the world, by male politicians." Reeves, State Experiments, I, 112.

53NZH, August 28, 1893, p. 4.

54Ibid., August 28, 1893. p. 4.
grant suffrage to females. It was a courageous step. Trust was placed in all parties to cooperate to make the experiment a success so that the "whole civilized world would be compelled to follow suit." 55

Simultaneously the Herald extended its advice to the new voters. Women would have to pay more attention to politics than before, obtaining information and weighing facts before reaching a dispassionate conclusion. Impulsive voting was to be guarded against. Women must take care against running into extremes; political or social changes of lasting benefit had to be effected slowly. They must guard against being influenced by men instead of by measures. 56 The Herald urged women to seek voting advice:

And perhaps, ladies, it will not be amiss to say that it might be a safe course...to take counsel with your nearest male relatives. Young ladies who are not yet wedded had better consult their fathers in the first place, and secondly, their "intended," if they have one....Above all, wives should consult their husbands. It would be a pity if the admission of women to the suffrage had the effect of causing domestic differences. 57

Since the Herald saw in women's suffrage a weapon to strengthen the best element of the electorate—a householder with property interest in the country—it anticipated that married couples voting together would "neutralize the excessive power given to the worst class." 58

55 Ibid., September 9, 1893, p. 4.
56 Ibid., September 9, 1893, p. 4.
57 Ibid., September 9, 1893, p. 4.
58 Ibid., September 9, 1893, p. 4.
Attention was paid to the opportunity for women to set an example for the world:

The eyes of the world are now upon the women of New Zealand. If they are wise and prudent, the right which has been accorded here will soon be extended over the world, with the most momentous issues for humanity.... All the best movements already inaugurated will be hastened. The desire for war should grow fainter. All international differences should be settled by arbitration. The moral breath of society should be purified. The advent of women to politics may change the face of the world. Verily, the women of New Zealand have a deep responsibility resting with them.59

(IV)

Throughout the three years of the first Liberal administration, the Herald was consistent in its approval of the franchise to women. It was the only political "experiment" of the early nineties that gained such wholehearted support from the newspaper. Although the Herald made no attempt to disguise its hopes that feminine suffrage would strengthen the Conservative vote, the newspaper's editorials reflect an acceptance of a fundamental justice in the extension of the franchise to women.

The Herald used the issue of single registration as a springboard to air its views on the broader subject of one-man-one-vote. Since this was an accomplished fact by 1890, the Herald searched for an alternative to safeguard propertied voters. The scheme it advocated was proportional

59Ibid., September 11, 1893, p. 4.
representation, but Conservatives evidently were not interested in backing the plan and the Herald made little mention of it in 1893.

Neither section of the Liberal franchise program loomed as large in Herald editorial coverage as did aspects of labor, land, and taxation reform. In this respect, the Herald correctly reflected the position occupied by franchise reform on the scale of the Liberal program.
CHAPTER VIII

EPILOGUE

The experimental legislation of the Liberal party attracted world-wide attention. During their first years in office, the Liberals enacted laws which earned for New Zealand the label of an "advanced society" when added to the broad functions already possessed by the colony's government: the management of railways, electrical communications and a national system of education; the control of hospitals and charitable aid, and the administration of land transfer, a Public Trust office, and state life insurance. The major advances of the nineties were the moves of the Liberals to break up large estates and assist small farmers in acquiring land, to design a labor code benefiting the industrial worker, to devise a program of industrial arbitration and conciliation, to establish departments of labor and agriculture, to enact a non-contributory old age pension scheme,\(^1\) to levy a graduated income tax, and to secure women's suffrage. Although the Liberal party was defeated in 1912, its basic legislation remained intact through several years of

\(^1\)The tax-financed Old Age Pensions program was the final major legislation of the Liberals. It was enacted in 1898.
Conservative rule based on a narrow majority. The second major period of social legislation activity occurred in New Zealand after the Labour party's victory in 1935. Again the attention of the world was attracted to the New Zealand lawmakers who provided a guaranteed price for dairy produce, a comprehensive social security system, free medical service, and direct support for secondary industries. The Labour party, like the Liberal party before it, took a "legislative holiday" after its initial objectives had been reached; its support declined, until after fourteen years in office, it was defeated by the conservative National party in 1949.

Today, the New Zealand Herald, still in the hands of the Wilson and Horton families and still leading newspaper circulation in the dominion, watches with general approval the actions of Sidney Holland's National government, a descendant of the Conservative party of the nineties. The newspaper and the National party agree on several issues. Although termed "Conservative," their continuing policy has been to act as caution-bound critics--more than forthright

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2A term first employed by Ward after he had succeeded Seddon in the leadership of the Liberals. Quoted by Lee, p. 17.

3In 1953, the Herald's circulation is 140,000. Other major dailies are the Auckland Star, 100,000; the Christchurch Press, 50,000; Otago Daily Times, 33,000; the Wellington Dominion, 70,000 and the Wellington Evening Press, 65,000. See Editor and Publisher Yearbook, 1953, pp. 366-367.
opponents—to the progressive movements which have gained for New Zealand the label of an "advanced community." The Herald and the Nationalists accept without question the fundamental program of liberalism first inaugurated by Ballance's party in 1890 and carried to fruition by the Labour government after its victory in 1935. The continuing advice of the Herald and the Nationalists has been to "go slowly," not to "back up."

The consistency which the New Zealand newspaper world has displayed in supporting the more conservative faction in the nation's politics since 1890 forms the sequel to this study. It is true that the major parties have appeared under new names and with changes among their supporting factions, but through all the shifts the press has maintained a political alignment closely parallel to its allegiance of the nineties.

John Ballance died in March, 1893, and the leadership of the Liberals passed to Seddon. The party enjoyed an unbroken tenure of office for two decades under the popular Seddon and his successor, Joseph Ward. The decline of the Liberal party after 1900 has been likened to the cooling of an extinct volcano.\(^4\) Not only did the Liberals attempt no new legislation, but the nation had outgrown its need for reform. Rising world prices after 1895, accompanied

\(^4\) Belshaw, 97.
by market expansion and increased export of wool, frozen meat, and dairy produce, brought new prosperity to New Zealand and new security to its small farmers.

The Liberal party eventually was stripped of its central core of support by the defections of its right and left wings. The small farmers transferred their allegiance to the old Conservative party which emerged in 1911 under the new name of "Reform." Labour, following the example set by the Australian trade unions, turned toward independent political action in 1905 and organized in 1916 as the modern Labour party. Thus stripped of the basic alliance upon which it once rested, the Liberal party of Ballance's day became a declining force in politics: the new two-party fight was to be between "Reform"—later termed "National"—and Labour. From 1916 until 1935, all three parties, Reform, Liberal, and Labour, figured in the politics of New Zealand. Labour gained no decisive support until its victory in 1935. Twice—during the first World war and again in the midst of the depression—Reform sought the support of the remaining Liberals in coalition governments. During most of the period from 1911 to 1935, Reform held office by a narrow margin.5

5In 1928, the United party (the last political appearance of the old Liberal party) defeated Reform by a narrow margin and enjoyed a shaky existence until forced into a coalition with Reform in 1931. The disappearance of a Liberal party left the way open for Labour to gather increased support in its opposition to Reform. See Reeves, The Long White Cloud, pp. 332-335.
The Labour government's success in 1935 was considered as much a political revolution as the Liberal victory of 1890, and Michael Joseph Savage, New Zealand's first Labour prime minister, announced that his government was "taking up where Seddon had left off." One circumstance of the triumph of the Labour party in 1935 was strikingly similar to the Liberal victory of 1890: the small farmer again had moved to the more radical party, attracted by Labour's promise for a guaranteed price for dairy produce.

Although Labour was defeated in 1949 by the National party, its defeat was correctly summed up by an American periodical as "Socialists Lose, Socialism Stays." The fundamental reforms of Labour remain intact just as the fundamental reforms of the Liberals remained intact after the victory of Reform in 1912.

(II)

With one or two notable exceptions, the whole of the Press of New Zealand was, and is, against the working class movement; no journalistic trickery has been too low for the organs of Capitalism; no paltry subterfuge too contemptible—a solid reason surely for the further extension of the class conscious Labour press. We want a working class daily established in every New Zealand center. (H. E. Holland, 1913).

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6Belshaw, p. 102.
6Belshaw, p. 102.
7Ibid., p. 99.
9Wellington, 1913, p. 12.
I am not asking for any roses to be strewn in my path. I just expect a fair go. I am not getting it. The newspapers are battling for certain interests and I am battling for the People. We are on the box seat today. The people the newspapers represent have had their day and failed. It remains to be seen if we are going to fail, and I don't think we will. If they want fight they'll get it. (Prime Minister Michael J. Savage, 1937)\(^\text{10}\)

These statements of frustration, voiced by two leaders of the Labour party of New Zealand, indicate the serious regard with which Labour viewed the continued conservative policy of the nation's press. These men argued for something more than an occasional favorable comment in the columns of the newspapers of New Zealand: they wanted an unbiased coverage and fair presentation of their work and the aims of their party.\(^\text{11}\) For this they could rely only upon a national party organ supported by Labour funds,\(^\text{12}\) and a handful of weeklies scattered throughout New Zealand.

In the mid-1930's, Labour leaders encouraged party support for the establishment of daily newspapers in the four major cities of New Zealand. During its fourteen years in office, the Labour government made two moves aimed directly at opening channels to the public. The state-owned national radio service was brought under direct ministerial control and the proceedings of parliament were broadcast to the

\(^\text{10}\) *New Zealand Standard*, March 18, 1937, p. 4.


\(^\text{12}\) *The New Zealand Standard*, a weekly, published at Auckland.
nation. After a long campaign for funds, the Southern Cross was published in Wellington as a daily devoted to the Labour cause, financed by party members.\(^{13}\)

Savage declared in 1938 that he would not fight another general election without a chain of daily newspapers of his own. But he never saw a chain of Labour dailies, nor did the Southern Cross survive after 1951. The reasons for its failure have been attributed to its appearance too long after Labour's assumption of office, an undercapitalization, an inability to support a private news service (which tied the Southern Cross to the established press association whose membership was composed of the nation's conservative journals), and a failure to gain sufficient support from advertisers.\(^{14}\)

Thus there is no final answer to give here to the interaction of the press of New Zealand and the political liberalism of the dominion. Labour today is in opposition, still lacking the support of a daily newspaper. The party's concern over the continued anti-Labour hostility of the press evidences that the absence of newspaper support is not

\(^{13}\)The Southern Cross was first published in 1946. To follow its records through the columns of the Herald is to read a successive chain of dreary reports of additional indebtedness. See NZH, June 12, 1947, p. 4; September 29, 1948, p. 4; July 29, 1949, p. 3; September 23, 1950, p. 4.

taken lightly.

This study has been primarily concerned with the reaction of a single New Zealand newspaper, typical of its fellow journals, to the program of the Liberal administration of 1890-1893. The choice of the subject resulted from a desire to investigate two frequently-heard generalities about New Zealand: that it is a radical community and that it supports a conservative press. Since 1890 was the turning point in the political and economic development of New Zealand, this has been regarded the starting point, for the adoption, by the newspapers of the nation, of their own political affiliation. In the narrow view, the study has involved a detailed analysis of the interaction between the New Zealand Herald and the reforms of the Liberals during the three years after 1890. In the broader view, it has involved an examination of the fork in the road that sent the political forces of liberalism and the journalistic forces of conservatism into permanent opposing camps.
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PRIMARY SOURCES

A. Official Publications

Appendices to the Journals of the House of Representatives, 1891 to 1893.


New Zealand Parliamentary Debates, 1891 to 1893.

The Appendices to the Journals of the House of Representatives contain all correspondence between the governor and the Colonial office and proceedings and reports of the departments of the government of New Zealand. Although they have been compressed in recent years, the Appendices to the Journals—or the "Blue Books" as they are termed in the dominion—were elaborately composed in the nineties, containing maps and technical reports on varied subjects, illustrated by intricate diagrams. The Appendices to the Journals were of particular use in investigating the Legislative Council dispute, the land problem, and the financial statements upon which the Liberal taxation scheme were based. First issued in 1893, the New Zealand Official Year-books are the best source for statistics and official information. The special articles on current topics of the day—in the nineties, land and labor reforms, offered useful background material. The Parliamentary Debates, comparable to the British Hansard, were consulted for specific subjects and cross-references to the Herald editorials.

B. Newspapers

The Auckland Star

The Christchurch Press

Dunedin Star

Grey River Argus
The New Zealand Herald was the only newspaper followed on a day-to-day coverage of the three years under study. In addition, its jubilee and special anniversary editions were of value in reconstructing a historical sketch of the newspaper. In later years, the Herald was consulted for details of the establishment of the Labour party daily, and a close following of the Herald during 1952 was useful in determining its current editorial policy. The other New Zealand newspapers cited were of special uses. The Auckland Star, although divorced from this study, often ran counter to the Herald on local issues, but could not be counted among the "Liberal" newspapers. After it was purchased by the supporters of Ballance, the New Zealand Times provided a journalistic contradiction to the policy of the conservative press. With the exception of the New Zealand Standard (the modern weekly party organ of the Labour party) and the Grey River Argus, a west coast newspaper long supporting the progressive cause, the remaining newspapers were of the same conservative political conviction as the Herald.

SECONDARY MATERIALS

A. Unpublished Theses


Since the University of New Zealand does not yet offer doctoral degrees in the arts and sciences,
additional weight is attached to the university's master's theses for research purposes. At present, some of the fundamental research projects needed to round out the available sources of New Zealand history are being conducted on the master's level. The theses dealing with two periods of the Liberal party's development—Chapman's study of the party's final appearance under the name of "United" in 1928, and Wilson's study of the party before 1890—form the only intensive investigations of the Liberal party available. Wilson's thesis was of particular value in tracing the growth of the Liberal party up to the period of the nineties. Both men have relied heavily upon the New Zealand Herald and other dominion newspapers and thus their works lent support to the belief that the Herald has maintained a continuing policy of conservatism. Meiklejohn's thesis, The Early Conflicts of Press and Government, closely traces the rise and fall of Auckland's first newspaper, and in doing so, carefully describes the turbulent times encountered by the early journals. Meiklejohn is a member of the New Zealand Herald's editorial staff and his thesis is to be published by the Herald this year.

B. Manuscripts

Scholefield, G. H., "Newspapers in New Zealand." Unpublished manuscript, 1940.


Secondary material on the Press of New Zealand is still lacking. Scholefield, former General Assembly librarian and author of the annual Who's Who in New Zealand and the Dictionary of New Zealand Biography, wrote a detailed history of the dominion press for the Newspaper Proprietors' Association of New Zealand in 1940. The original plan was to publish Scholefield's work, but this has not yet been done because of a need for funds. Though not including much interpretation, Scholefield's work was of great value to the writer in tracing the general trends in the development of the dominion press. The "Press in New Zealand" was prepared for inclusion in a radio series over the New Zealand national network in 1952.
G. Pamphlets

Hocken, T. M. *The Beginnings of Literature in New Zealand.* Wellington, 1902.


Hocken's study of the early beginnings of literature in New Zealand deals primarily with early newspaper foundations and was used in reconstructing the development of dominion journalism. Hocken compiled the first bibliography of New Zealand literature in 1909 and his book is considered the standard work in that sphere. His vast library was donated to Otago university, Dunedin. Scholefield's catalogue is a complete list of all newspapers established in the dominion up to the time of his compilation in 1938. The pamphlet by Holland on the Waihi strike covers the major labor upheaval of the early 1900's from a Labour party leader's standpoint and was useful for its description of the relations at that time between press and labor. Keith Sinclair, lecturer in history at Auckland university college and a student of the Maori wars, describes the uses of New Zealand newspapers to the historian in his pamphlet in a history series published for senior form students.

D. Periodicals


Blake's article on The Southern Cross, the Labour daily established in 1946 and failing in 1951, is a
critical study of the causes of failure, printed in New Zealand's foremost literary journal. Mills, a contemporary journalist, has reconstructed from personal acquaintance memories, a colorful profile of Reeves, the Liberal minister of labour. The article on the 1949 elections in New Zealand which appeared in U. S. News and World Report is a realistic approach to the defeat of Labour.

E. Books


Bradshaw, John. New Zealand As It Is. London: Sampson, Low, Marston and Rivington, 1883.


Brett, H. Brett's Handy Guide to New Zealand. Auckland, 1890.


Reeves, William Pember, State Experiments in Australia and


The books cited here may be grouped into divisions corresponding to the specific uses made of them in the preparation of this thesis. Among the historical, or more general books related to the development of New Zealand are New Zealand edited by Horace Beishaw for the United Nations series; J. B. Condliffe, New Zealand in the Making; Harold Miller, New Zealand; Alan Mulgan, From Track to Highway; Introduction to New Zealand: Reeves, The Long White Cloud; Shrimpton and Mulgan, A History of New Zealand; Stout, New Zealand; and the New Zealand volume of the Cambridge History of the British Empire. Condliffe's book, written in 1930, still is considered the most reliable economic history of New Zealand, and is an able work. It has been of particular value as has William Pember Reeves, The Long White Cloud which is regarded not only the most literary, but the best general history of New Zealand. Written by the author of the Liberal labor legislation, it offers a
clear background and coverage of the period of the nineties. The book has been revised by two subsequent additions and its fourth edition was printed in 1950. The most recent general work on New Zealand—and the best for a survey of the dominion—is the study included in the United Nations survey. Edited by Horace Belshaw, professor of agricultural economics at the University of California, its contributors are all leaders in their special fields in New Zealand.

Of the biographical books cited, Scholefield's Dictionary of New Zealand Biography has been heavily relied upon. Published in 1940 as an inclusion in the New Zealand centennial series, financed by the Internal Affairs department, the two-volume dictionary is unique in that it is solely Scholefield's own work. Of the particular biographies—of Vogel, Seddon, Grey, and Ward—only Drummond's work on Seddon was found to be useful and that, because it contained a brief history of the Liberal party. For the most part, these adventures in biography have been exercises in adulation.

Written more from a political standpoint are Lee's Socialism in New Zealand; the two volumes by Sutch, and J. T. Paul's Humanism in Politics. Paul's book is basically a history of the Labour movement written by an ardent Labour party member. Sutch's chief interest is in the development—considered too slow by him—of the social security program of New Zealand.

Government, constitutional development, and party growth are the chief subjects of Leslie Lipson's Politics of Equality. An American who spent eight years in New Zealand as professor of political science in the University of New Zealand, Lipson has produced a sound work, considered in the dominion as a major contribution to New Zealand materials. He traces the principal parts of the political system—the electorate, parties, cabinet, premiership, parliament, and administration—through the period until 1890 and then beyond. He has made useful analyses of general elections and parliamentary divisions. Simpson's Parliament in New Zealand is a general handbook, serving as a useful guide to parliamentary procedure and terminology. Brady's Democracy in the Dominions and Laski's Parliamentary Government in England have been used as general background to an understanding of New Zealand's government.

Concerned with special topics are Simkin's The Instability of a Dependent Economy; Reeves, State Experiments, and Norman Smith's The Maori People and Us. Simkin's study, completed in 1951, traces the economic fluctuations occurring in New Zealand between 1849 and 1914, relating the conditions in New Zealand to the world price structure. Reeves traces the experimentation of the nineties in both Australia and New Zealand, and his two-volume study is thorough and ably presented. The
Maori land question is covered clearly, but in an undocumented presentation, by Smith.

Books cited concerned with the press have been employed largely to study processes of newspaper research. Of these, Lucy Salmon's *The Newspaper and the Historian* is the best guide for the researcher attempting to reconstruct a period by relying largely upon press research.

The histories of New Zealand communities and the guide-books of the nineties have been useful in providing specific details in the dominion's development and a general picture of the period under study.