

Another Side of Picture Of New Zealand as Utopia

Special Correspondence.

S YDNEY, December 26.—By a decisive national vote the people of New Zealand, on November 17, emphatically approved of the official regime, under which the colony has thriven for the last sixteen or eighteen years, and sanctioned its continuance. They may well do so. The regime has brought them boundless opulence. Swelling imports and exports, enormous increases in bank deposits, the expansion of old industries and the creation of new, the inevitable acquisition of unutilized lands, the reverberation in the values of land, the expansion and the cheapening of legitimate state business, the growth in the cheapening of such state business as has hitherto been considered illegitimate, the total absence of pauperism, and infinite symmetry in the administration of the national departments, are all there to prove the existence of such marvellous states of prosperity as deserve criticism. Providence is not evidently on the side of State Socialism as of big battalions.

Twenty years ago New Zealand was on the verge of bankruptcy. Its ministers publicly declared that if it could not raise a loan in England, the colony must file its schedule of debts with regard to the stock exchange, and was unpopular on the Stock Exchange, but it was raised, though on onerous terms. With its old, together with a ruthless retrenchment in the public service, the crisis was averted. Then a socialist ministry entered into office, and waving a magic wand, it launched New Zealand on a career of sensible prosperity. On the eve of the general election the prime minister of the mid-left Dominion, as both his opponents and officials (and rather fatuously) styled, has just recited the triumphs of seventeen years' benevolent legislation, as he naturally holds it to be.

CHEAP LAND.
The first great boon it granted to the colony was cheap and abundant land. Thirty years ago, Sir George Grey, a Radical aristocrat who had been a despotic governor and became a democratic premier, proposed to buy back or forcibly resume large portions of the public lands that had been sold to capitalists and other leasees or sell them to small settlers. Public opinion was then ripe for an advance in agriculture and the founders of the colony were driven from office by the landed aristocracy then all-powerful. It was again brought forward by an allied ministry in 1881, but was still premature. With the return of the same party in 1891 the plan was revived, and was this time pushed to a successful consummation. The method of forcing the assumption, which had spread panic through the ranks of the large landholders, was abandoned and that of purchase substituted.

There was, indeed, at least, until recent years—no need for violence. Dozens of extensive landowners, flung their estates at the head of the government. In this way a million or two acres of valuable land have been acquired at a cost of some millions sterling, borrowed in London. The pastoral lands thus bought, each occupied by one wealthy family and a host of dependents, have been broken up into small farms and given as settlements to leasees or settlers or sold outright, and the denizens of a few hardy squatters, who represent the patriarchal stage in the history of the colony, have become the homes of hundreds of thousands of prosperous families. The estates themselves have not only paid the interest on the government loans that interested them but yielded a profit. The constant rise in the market value of lands has made the hazardous experiment, so far, an indubitable success.

An allied measure sprung out of it. A short of jubilee was given from all parts of the colony when it was announced that the government intended to set up as a money-lender and advance loans to settlers on the security of their holdings. The settler has often a hard time in young countries. Lenders fleece him, and sometimes they skin him to the bone, or eat him, bones and all. Hence the Advances to Settlers act was a most popular measure. All the settlers in everywhere mortgaged to the hilt cushioned by the newly opened state offices borrowed enough to pay off their loans and interest forward, add the compound rate of interest which the government borrowed so cheaply in the London market, could well afford to charge. Not only so. In a limited number of years, the annual payments cancel the loan, and then the milestone is lifted off the settler's neck forever. It was freely prophesied that the borrowers would fail to make their annual payments of interest, and that no government owing its existence and maintenance to popular support would dare to claim either honor or principle. All such prophecies have been belied. The loan payments have been generally kept up, and there have been few foreclosures.

LEASEHOLD TENURES.
The recent history of the colony has thrown light on a kindred topic of much importance. An American historian, Edward Eggleston, has said that in the United States the tendency has been towards "a simple and direct ownership of the soil." The New Zealanders, however, have adopted a more subtle, though less enlightened, method. They have long been buying up land in New Zealand, and at first, we are assured, with a like result. More than 20 years ago the then premier publicly stated that the issue of the conflict among so many different forms was the victory of the freehold. New Zealand has since allowed into a variety of tenures, and the upshot of it is that some form of leasehold under government is finding most favor. Almost one-half of the selectors of state that is, of repossessed lands during the present year selected land under the 20-year leasehold, while the parsonary imposition, which champions the freehold, the so-called eternal or "inferred" lease—the lease in perpetuity, or for 999 years—has been repealed, but holders of it may pur-

chase the freehold if they will. Yet only a few are taking advantage of the permissive clause. Some years ago Premier Seddon declared that a great battle of Armageddon between the freeholders and the leaseholders was impending. The greatest struggle in the history of the colony, a struggle without bloodshed, freedom tenures are both in favor, sometimes the one and sometimes the other, in the assembly, but perhaps the leasehold is going to win a salient victory.

PROTECTING THE FARMER.

When the New Zealand government

has provided the would-be farmer with suitable land and also with the means of cultivating it, and has at the same time shown large indulgence in collecting rents in the early years when returns are scanty, it does not then have time. It keeps watch over all its interests, by a host of agricultural departments on which it is annually laying, in rising sums. It provides cold storage for dairy produce at large cost to itself. It grades produce. It has a host of inspectors. It protects the farmer by means of a cunningly devised tariff in a two-fold manner. It places everything he can reasonably ask for on the free list. On the other hand, protective duties ranging from 20 to (in particular cases) 40 per cent, guard him to an enormous extent from outside competition.

The government further manipulates the railways—all of them now nationalized—in the interests of agriculture. Forces and freights on them were at one time excessive. They are now lower than in England. So great have been the reductions made in the last seven or eight years that passenger fares over long distances are now about two-thirds of English rates. But what the New Zealand government does for passengers is nothing to what it does for goods. The chief minister of the mid-left Dominion, as both his opponents and officials (and rather fatuously) styled, has just recited the triumphs of seventeen years' benevolent legislation, as he naturally holds it to be.

TAXATION RISING.
Need we wonder that, with all this grandiose legislation, or government graft, New Zealand is, in appearance, prospering tremendously? From 1894 to 1907 the imports have swelled from \$6,000,000 to \$16,500,000, and the rise in exports has been still more phenomenal. Thus, to take a single instance, the output of the output of silk products has advanced from \$1,032 in 1889 and \$19,533 in 1900 to \$1,979,242 in 1907.

It is true that the rate of taxation, which is in all the Australasian colonies collected mainly through the customs, is steadily rising. It looks as if these colonies were, like despotic countries, bleeding their citizens to death. In New Zealand it now exceeds 50 per cent. Sir Joseph Ward has no difficulty in explaining the rise. It is due to increased spending power, while as a matter of fact the rate of duty on imports has declined from 26.25 per cent in 1894 to 13.62 in 1907. As lightly he holds the prodigious public indebtedness of New Zealand, which now amounts to no less than \$66,453,827, it has been raised since 1892. This is a large load for so small a community to shoulder. But the burden is more apparent than real. The colonial debts resemble European national debts only in name. They have been expended mainly in building railways, roads, and other public works, in repurchasing private estates, and in making advances to settlers. Eighteen millions of the recent additions to the New Zealand debt are directly interest-bearing.

THE OTHER SIDE.
Such is one side of the shield, painted in rainbow hues. Now look at the other side, painted as in lamp-black by a keen observer who penetrates beneath the smiling surface. In scathing political satire ("Riallora: the Archipelago of Exiles," Putnam's), a New Zealand professor has described the island of Wotnekat. The people of this happy isle were so far gone in their debauchery that they believed they could accomplish anything they desired merely by passing a law. Their craze was politics. Every one had a pet political party for hurrying on the millennium. Politicians arose (Seddon was the type of them) who numbered to this passion, and bent all their energies towards having each new project, however Utopian, put on the statute books. The first political paroxysm was a success of suffrage schemes; all the claims were enfranchised and, according to say, human rights did not vanish from the island.

The second panacea was to tax foreign commerce. As a consequence commerce dwindled under the burden of inspectors and tariffs and regulations. At last the harbors were empty and the ports inhabited only by government officers. An ambitious young statesman (we know him well; he was no doubt laterly high commissioner to New Zealand in London) brought himself to the new home. He sent out his agents among the workmen and inflamed their discontent. His emissaries made them pick quarrels with their masters, when he stepped in to settle them (the Industrial Arbitration Act); but he settled them so as to make chronic ulcers of them. He set class against class and cast the slate in two. Then followed a long period of legislation, of strikes and lockouts, to say, human rights did not vanish from the island.

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