

# NEW ZEALAND "POO BAH."

How the Government Acts as Savings Banker, Railroad Manager, Telegraph Operator and "Hello Girl."

FRANK G. CARPENTER.

It Runs the Life Insurance Business—Gives Wornout Workmen Old-Age Pensions—Bosses the Trades Unions and Capitalists and Has Many Queer Financial Arrangements Whose Figures Will Scare Uncle Sam From Trying Similar Experiments—A Striking Letter From Frank G. Carpenter About the New Movements in King Edward's Most Advanced Colony South of the Equator.

Wellington, New Zealand.—How would you like to be sure of a pension after you are sixty-five? How would you like to know that if your income is then not more than \$170 a year Uncle Sam will annually hand you out \$90 to boot, or that if you have a little more than \$170 he will give you enough to make your total income \$260?

This is one of the experiments they are trying in New Zealand. They are trying it upon old men and old women as well. If an old man has a wife over sixty-five, both man and wife come under the law, and both get pensions, so that if their combined incomes do not exceed \$340 they may together get an annual of \$190 from the government, giving them a total income of \$530, by no means a bad provision for one couple's old age.

This law has been in effect for two years. The bill was introduced into the New Zealand parliament by Premier Seddon in 1898, and it passed both houses. Already between one and two million dollars have been paid out in pensions under it, and the tax required to support it is more than a dollar a year for every man, woman and child in New Zealand. There are between nine and ten thousand people here who are receiving old-age pensions, or considerably more than one in every hundred.

## SUPPOSE WE HAD OLD-AGE PENSIONERS!

If similar conditions prevailed in the United States we should have 2,700 old-age pensioners in the national capital, 34,000 in New York, about 20,000 in Chicago, 15,000 in Philadelphia, 6,000 in Boston proper and a thousand or more in each of a score of the other cities of the United States. In the whole country, taking the last census at the round estimate of 75,000,000, we should have 750,000 old-age pensioners, and if each received \$55, the average pension of New Zealand in 1899, the annual tax for this purpose would amount to considerably more than \$63,000,000. If we paid as much per capita as New Zealand is now paying it would be more than \$75,000,000, so that it is hardly probable Uncle Sam will adopt the system this year.

## WHO GET PENSIONS.

Still, they do things differently in New Zealand. They have all sorts of ideas as to what a man can earn and what the government should do to help him. A theory held by some of these people is that no man should have an income of more than \$150 a year, and that if he has more it should be taxed out of him. The theory of the old-age pension system is that every old man should have at least \$260, and if he has not so much the government should help him to it.

Our army of pensioners is composed of old soldiers, their widows and children. The army of pensioners in New Zealand is made up of old workmen, workmen and workmen who have failed to lay up more than a pittance for the day they are unable to work. The law provides only that the pension-

ers must have been a resident of New Zealand for twenty-five years prior to his application; that he must have spent less than five years in the penitentiary during that time, and that he must not have been in jail more than four months or four times during the twelve months preceding. It provides that his character must be good at the time of application and that he must have been sober and reputable during the five years preceding that time. The applications are made at the post of-

themselves upon their new laws regulating labor and capital. They have not had a strike for seven years and expect none in the future. The capitalists think differently, but that is another story.

Today the workmen are the lords of New Zealand and the laws have been enacted by them. A curious feature is the prominence of the trades unions and the wiping out of the individual. The famous conciliation and arbitration laws recognize only the

its board of labor conciliation, consisting of members chosen by the trades unions and the capitalists. If there is a dispute and complaint is made to the board, it sends for persons and papers and after examination gives judgment, which both parties must accept. If the union is in the wrong it decides against it. If the employer is in the wrong he is told that he must make the matter right, and the decision so arrived at remains in force as the law for two years to come. It goes with-

## MRS. BOTHA ENDEAVORED TO BRING PEACE.

Wife of the Big Boer Leader Working for the Pacification of the Warring Forces in South Africa. Botha Admits That He Profits by Her Advice.



An American woman has had more to do with the recent developments of the Boer war than any one man in South Africa. Mrs. Botha, who was born in America, and who is the wife of the famous Boer general, is a woman of iron will and marvelous sagacity. Her husband candidly admits that his actions of late have been entirely based upon the advice of his clever helpmate.

As far as I can learn this pension system is popular. There are but few old people in charitable institutions, and the old woman beggar is unknown. The New Zealand statesmen pride

themselves upon their new laws regulating labor and capital. They have not had a strike for seven years and expect none in the future. The capitalists think differently, but that is another story.

out saying that the board is usually in favor of the unions and against the capitalists.

## THE COURT OF LABOR ARBITRATION.

If either party is not satisfied, however, an appeal can be made to the court of arbitration. This consists of three members, two appointed by the governor upon the recommendation of the unions and the capitalists and a third, who is the judge of the supreme court of New Zealand. This court tries the case, and its judgment is final. It can fix wages, the working hours and other matters, and it can impose fines, not to exceed \$250. It assesses damages upon the parties to the suit, and all the property of the judgment debtors can be taken to satisfy such claims; and, if the judgment debtor is a trades union or an industrial association without property, the members of that union are liable to the amount of \$50 per member.

## SOME CURIOUS LABOR CASES.

I have before me the government reports of a number of such cases. The judgments are curious ones. Here is a case of conciliation in Dunedin, being brought at the instance of the Dunedin Painters' union. The court decided that all painters shall work from 8 o'clock until 5 on five days of the week, and from 8 until 12 on Saturday, one hour being allowed each day for dinner, except Saturday. The decision fixes the number of apprentices, and it provides that employers shall hire members of the union in preference to non-union members.

In the case of the Bakers' union of Christ Church the court decided that over-time must be paid at the rate of time and a quarter for the first four hours and at the rate of time and a half for every hour thereafter. It limits each journeyman to but one apprentice, and fixes the term of apprenticeship at four years. It provides that no carter can be employed in a bake house, but that a baker may send out his employees to deliver bread, provided they do not work overtime.

In a dispute between the iron molders of Wellington and their employers the court of arbitration decided that the journeymen should not work more than forty-six and one-half hours a week, and that there should be only one apprentice to every three journeymen, that apprentices should work for five years, and be paid not less than \$12.50 a week for the first six months, and a rising scale of wages thereafter up to the fifth year, when they should receive at least \$7.50 a week.

As to the Furniture union of Wellington, where wages were in dispute, the court decided that the employers should pay all saddlers and upholsterers \$2.50 per day for eight hours' work, and that they should pay 25 per cent additional an hour for overtime for the first four hours and 50 per cent for every hour thereafter.

The decisions of these boards establish the rate of wages not only for the parties to the dispute, but for all others engaged in similar labor. For instance, if the court decides that a certain employer shall pay his shoemakers \$12 a week, the shoemakers in other shops will at once demand the same and get it. There are cases in which the employers have the best of the dispute. For instance, not long ago the printers of Wellington were getting \$15 a week. They demanded \$19 a week. Their employers were willing to give them \$17.50, but they were not satisfied and brought the matter before the court. The court awarded them only \$17, and this must be their wages for the next two years.

THE GOVERNMENT AS A LIFE INSURANCE AGENT.

There is a big building in Wellington which is known as the government life insurance office, where you may find out how much the New Zealand body politic is willing to bet on the chances of life and death among its citizens. The government has been carrying on a life insurance business since 1869, and the officials tell me that it pays. There is talk now of establishing a government fire insurance department, and there are those who think the govern-

ment should manage the banks. The life insurance company uses the postmasters as its agents, and thus has its offices at every cross-roads. It will not issue a policy for more than \$20,000, but it gives a low rate and you are fairly sure of your money. There are now thirty-six thousand policies in force, representing an insurance of about \$45,000,000. Up to 1898 the department had received about \$2,000,000 in premiums, and it had paid out to its policy holders over \$1,000,000.

The insurance funds are largely invested in the bonds of the municipal corporations of New Zealand and in mortgages on real estate based upon a three-fifths valuation of the property. The salaries of the company are all paid by the government and are independent of the amount of business done.

The government life insurance company is managed after the same manner as our life insurance companies and upon similar calculations of the chances of life and death. There is a system of paid-up policies and a tontine savings fund system, introduced about seventeen years ago. There is a temperance section also which grants special rates to those who abstain from intoxicating liquors, and a civil service insurance which provides annuities for government clerks after they are sixty years of age.

## BANKING IN NEW ZEALAND.

New Zealand has as yet no national bank, although the government is largely interested in some of the private banking associations. There are five banks which have the right to issue notes. The chief of these is the Bank of New Zealand, with a capital of \$1,000,000 in 4 per cent stock guaranteed by the government. This bank has for a long time been the principal one in the islands. It was on the verge of failure a few years ago, when the government, to prevent a panic, came to its assistance and gave it a loan of a million pounds. At present the government holds shares in it to the value of \$2,500,000, and there are some who think that the investment is not an especially safe one.

The average amount of deposits in New Zealand banks is steadily increasing, showing that the country is accumulating money. In 1900 it was only about \$15,000,000; at the end of the next decade it was almost \$45,000,000, and it amounts now to more than \$70,000,000. The present assets of the five chief banks are about \$85,000,000, and their liabilities about \$75,000,000. Banking here is far different from banking in the United States. It is managed more on the trust system, being monopolized by these five banks, which have their branches in the different towns. There are altogether 125 places in which banking is done, and in addition there is a savings bank connected with every post office.

## POST OFFICE SAVINGS BANKS.

The postoffice savings banks are, of course, under the government. They are banks of deposit, interest from 2 1/2 to 3 per cent being allowed on all accounts. The money is invested in municipal and government bonds and in mortgages on the big estates which the government purchases to divide up among the people upon such terms that the purchasers pay 1 or 2 per cent. At present the yearly deposits of the post office savings banks amount to more than \$15,000,000, and on the 1st of Jan-

uary, 1899, their total accounts approximated \$25,000,000, making an average of about \$150 for each account.

There are now about 160,000 depositors in the postoffice savings banks, which, taking the whole population of New Zealand, equals one to every four persons, or one savings bank deposit to every family. On the average about \$50,000 are daily deposited in such banks, and the government annually pays out through them more than three-quarters of a million dollars in interest.

Deposits as low as one shilling (25 cents) are taken, and there is an arrangement by which you can buy twelve penny stamps, paste them on a card and mail them as your deposit. Three per cent only is allowed on accounts up to \$1,000, and 2 1/2 per cent on accounts ranging from \$1,000 to \$2,500, but on sums above that no interest whatever. This restricts the business to small depositors.

There are also seven private savings banks in the colony in which the deposits amount to about two and one-half million dollars annually.

## CO-OPERATIVE ASSOCIATIONS.

New Zealand has its building and loan associations, though not to the same extent as the United States. It has also all sorts of co-operative associations among the farmers. There are large stores managed by stock companies, in which hundreds and sometimes thousands of the customers have stock. This is especially so with the farmers' mercantile associations, corresponding somewhat to the grange stores which had some time ago in the United States. I visited an establishment of this kind in Christ Church. It had a large capital, and its manager told me that it paid 10 per cent to its stockholders. It is much like one of our big department stores, with the prices marked on all articles offered for sale. Many of the meat-freezing establishments which are common here are managed by stock companies, in which the sheep owners are interested. The most of them pay good dividends.

## THE GOVERNMENT AS POSTMAN, TELEGRAPH OPERATOR AND HELLO GIRL.

The government of New Zealand is not only a postman, but also acts as telegraph operator and "hello girl." As postman it does as big a business in proportion as any government on the globe. It has more than 1,500 postoffices; it annually carries more than 35,000,000 letters and about 15,000,000 newspapers, and it runs the postoffice business at a profit instead of at a deficit as does Uncle Sam. It may be that the profit from the telegraph system enables it to do this, but at any rate, with receipts of a little more than \$2,000,000, it has an annual balance of something like a quarter of a million dollars.

The postal rates here are much the same as in the United States, and the postal accommodations in some respects are better. I refer to the parcels post, by which parcels of large size up to eleven pounds can be shipped over the country at low rates, and also to the postal notes, which can be bought for from half penny up to sixpence in denominations of from one shilling up to £5.

The stamps used here are very beautiful. A new issue was brought out in 1898, being made from designs furnished under a prize offer from the government. Twenty-four hundred different

designs were submitted, and the best were chosen.

Nearly every New Zealand postoffice is a telegraph office, a telephone office, a savings bank, a government life insurance office and a money order office, so you see the postman has plenty to do. There are now government telephones almost everywhere. The state has about 18,000 miles of telegraph and telephone wires, and it transmitted in 1899 just about three million messages. It costs only twelve cents to send a twelve-word telegraph dispatch, with a charge of two cents for each additional word. There are special rates for press messages. The cable rates to Australia are low, being from 75 cents to \$1.25 for ten words, and the rate to Great Britain is \$1.50 per word, or to the United States about \$1.50. As to the telephones, there are thirty-one exchanges in New Zealand, with about six thousand connections, and the total cost of making the same and equipping them has been less than one million dollars.

## THE OTHER SIDE.

All these things seem attractive, but there is another side to the picture. A man is worth not what he makes, but what he has left when his debts are paid. It is the same with a nation, and New Zealand is rapidly running up a big public debt. In 1869 it owed just about \$200,000, or about \$200 per head, or \$1,500 per family of five. This debt is increasing. It has risen more than 600 per family in the last twelve years, and the average taxation today is in the neighborhood of \$100 per family. Suppose the same conditions to prevail in the United States? We should owe seventy-five million times \$100, or \$22,500,000,000—a national debt that would drive every one of our millionaires into the backwoods of Asia, Africa or Europe. FRANK G. CARPENTER.

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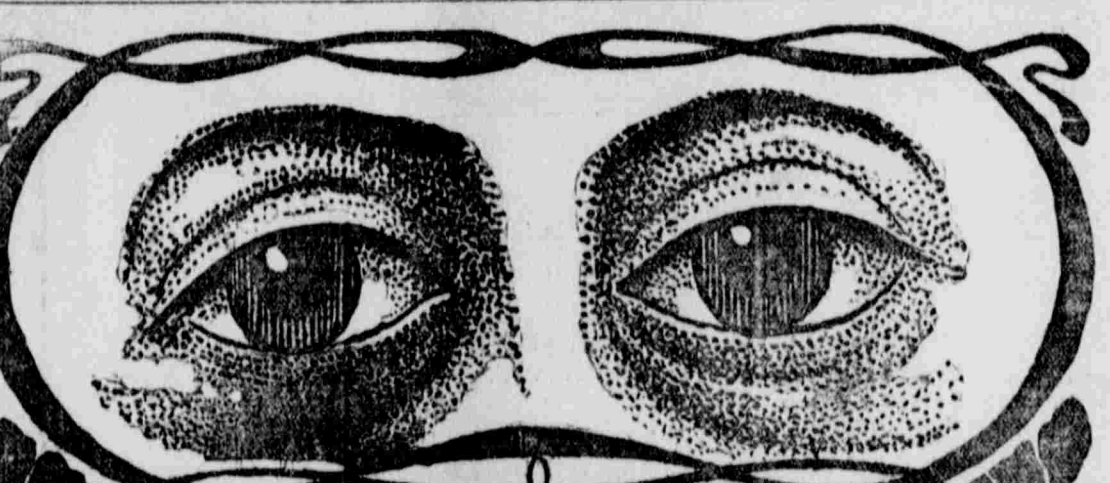
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