NEW ZEALAND CENTENNIAL SURVEYS

V. GOVERNMENT IN NEW ZEALAND
RUSSELL, THE FIRST SEAT OF GOVERNMENT
GOVERNMENT

IN

NEW

ZEALAND
To my

Mother and Father
THIS book is primarily an account of New Zealand's present system of government. Its perspective is defined by the occasion for which it has been written—the Centennial of the proclamation of British sovereignty over New Zealand. That is, it is designed to show what modifications the New Zealand environment has produced in the British system of representative government and how New Zealand political institutions differ from corresponding political institutions in Great Britain and in other British Dominions. It is not, therefore, a work of reference but an essay which may help in the use of works of reference. A note on such works will be found at the close of the book.

Although the survey is one of an official series and although I have been helped by many government departments, the views expressed are my own.

LEICESTER WEBB

CHRISTCHURCH
January 1940
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ILLUSTRATIONS

Russell, the first Seat of Government  
Entitled *Russell from Paihia, Wai Keri River*, this water-colour painting by an unknown artist came from an album presented to Governor Hobson's widow in 1843.

Captain Cargill Addresses a Meeting  
This cartoon of an Otago political meeting in the fifties comes from the Hocken Library, Dunedin. The artist was James Brown, a well-known caricaturist of early Otago.

Graph showing Percentage of Votes recorded for Parliamentary Parties 1908-1938  
This graph was drawn by W. G. Harding of the Lands and Survey Department, Wellington, from data compiled by R. S. Odell. It must be noted that the elections of 1935 and 1938 show Reform and United as combining to form the National party.

Edward VII and R. J. Seddon  
A cartoon of Seddon's tour abroad in 1902 by E. F. Hiscocks. The reproduction is taken from the original notebook in the Alexander Turnbull Library, Wellington. The cartoon was published under the title 'The Sport of Kings' in *King Dick Abroad* (1902).
Illustrations

Government House, Auckland, in the early Forties facing page 92
A water-colour painting also reproduced from the Hobson album. The artist is unknown.

Laying the Foundation-stone of the Houses of Assembly, Wellington facing page 108
This wood-engraving is from The Illustrated London News of the period.

The Provincial Council Chamber, Canterbury facing page 124
From a photograph by F. E. McGregor of Christchurch.

Parliament Buildings, Wellington facing page 150
From a photograph by The Evening Post, Wellington.
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CONSTITUTIONAL BEGINNINGS

THROUGHOUT their history the British peoples have exhibited a strong and at times even passionate conservatism in their attitude to political forms. Time and place have produced few modifications in the façade of the British parliamentary system. The New Zealand House of Representatives maintains, sometimes in minute detail, the formulas and conventions which are maintained in similar assemblies at Westminster, in Ottawa, Capetown, and Canberra. Moreover, those formulas and conventions differ little from the formulas and conventions maintained by the British House of Commons a century ago.

The student of politics must constantly remind himself that these similarities are misleading. In the century which has seen the development of the railway train, the motor car, and the aeroplane, methods of government have not remained stationary, even though the first Duke of Wellington brought back to life would not feel lost in the House of Lords of to-day. And although the New Zealand House of
Representatives models itself faithfully on the House of Commons, New Zealanders are not political antiquarians; they have, under pressure of social needs, evolved a political system which is in reality almost as different from the British as it is from the American or the French political system. But to perceive where the differences lie and to state them precisely is difficult. The fundamental institutions and principles are the same. The differences consist, not in obvious departures, but in an accumulation of more or less subtle variations of emphasis, of method, of ideology. Thus, an English county councillor visiting New Zealand might be tempted to conclude from a survey of externals that New Zealand has essentially the same system of rural local government as England; a day spent in the office of any New Zealand county clerk would show him that the resemblance between a New Zealand county council and an English county council goes no further than the name.

The systematic settlement of New Zealand began in 1840, following by less than a decade the great period of political reforms which gave to English political institutions their definitive form and by less than a year the publication of the Durham Report, the basic assumption of which was that the parliamentary system of representative and responsible government could, and should, be transplanted to the colonies. New Zealand's early settlers thus had no stimulus to political invention or improvisation.
Unlike the Puritans who had gone to North America more than two centuries before, they were not seeking escape from a political system repugnant to their consciences. Unlike the American colonists in the reign of George III, they were conscious of no serious conflict between their own political aspirations and the authority of the British Government. Far from aspiring to create a new social order, the organisers and leaders of the first systematic colonising efforts deliberately set themselves to transfer to New Zealand cross-sections of English society. And if the colonists readily accepted the basic institutions and principles of English society, even more readily did they accept the basic institutions and principles of the British political system. In the half century after 1840 the prestige of the parliamentary system was at its peak and among the British peoples there was a unanimity over political principles such as has not existed since. It is significant that the great revolutionary movement of the period—Chartism—sought merely to carry to a logical extreme the principles implied in the Reform Act and the Municipal Corporations Act.

It is tempting to assume that the boldness shown by those men and women who left England to found a new society in a remote country on the other side of the world would communicate itself to their social and political thinking. But there is little evidence to support such an assumption. Indeed, a study of the life of the pioneer communities reveals a devotion to
the institutions and ways of thought of the old world carried at times to the point of incongruity. There is not much deliberate innovation in politics until the nineties, after the second generation of New Zealanders had begun to reach maturity and after the stream of immigration had been swelled by the gold rushes and by Vogel’s public works policy and the related scheme of assisted immigration.

It is not to be inferred from this that the early colonists were lacking in spirit or independence of mind. On the contrary the first decade or so after 1840 was a period of vigorous and even strident political activity. The New Zealand colonists were quite as dubious of the wisdom, and as impatient of the conservatism, of the Colonial Office as similar groups of British colonists in other parts of the world. For the first few months after the cession of New Zealand to the British Crown, in February 1840, the new colony was governed as a dependency of New South Wales. In November 1840 New Zealand was granted its charter as a separate colony, supplemented by a set of royal instructions providing for a system of government of the type in force in all Crown colonies. New Zealand received a governor of its own, an executive council, and a legislative council consisting of the Colonial Secretary, the Attorney-General, the Treasurer, and the persons holding the first three places in the commission of the peace. Within three or four years a brisk agitation for more
liberal institutions was in progress. For the purposes of this survey it is not necessary to trace the history of the agitation. The point to be noted is that the Colonial Office and the British Government, no less than the colonists, regarded self-government for the new colony as ultimately inevitable. Disagreement was not over fundamentals but over questions of detail, over the rate of political progress that was justified by the development of the colony, over the place of the Maoris in any constitutional system which might be devised, and over the modifications in the representative system required to adapt it to the peculiar needs of the colony. This last problem was of particular importance. The division of the colony into two main islands, and the division of those islands by huge mountain ranges, impassable rivers, and tracts of dense forest, created difficulties of transport which made centralised government undesirable and indeed impossible. By 1850 the colony consisted of isolated communities of settlers, the most important of which were the New Zealand Company's settlements in Wellington, Taranaki, and Nelson, and the church-sponsored settlements in Canterbury and Otago. From Otago, the sea-journey to the capital, Auckland, took not less than ten days. In the case of the South Island differences of origin accentuated differences due to geography. Canterbury was English and Church of England, Otago Scottish and Presbyterian. This partly explains why all the earlier projects for a
system of representative government, including the abortive constitution of 1846, provided for decentralisation of political power.

The constitution finally adopted, and embodied in the Constitution Act of 1852, divided New Zealand into six provinces—Auckland, New Plymouth, Wellington, Nelson, Canterbury, and Otago—each with an elected superintendent and an elected provincial council of not less than nine members. Outside certain specified exceptions, including justice, customs, currency, weights and measures, postal services, and Crown lands, the provincial councils had full legislative powers. It does not seem, however, that this essentially federal constitution was the result of a conscious application of the principles of federalism. Both Peel and Gladstone had contemplated satisfying the demands of the settlers for self-government in the period before the grant of full representative and responsible government at the centre was practicable by establishing democratic municipal institutions. With this the settlers were not satisfied; and the pressure they put on their Governor, Sir George Grey, caused him to represent to the British Government the need for conferring on the proposed municipalities powers which, in effect though not in intention, made them into federal units.

The provisions in the Constitution Act for the establishment of a General Assembly were remarkable for their liberality and for their incorporation of all
the main features of the British parliamentary system. The lower chamber, the Legislative Assembly, was wholly elective on a property franchise the effect of which was to give the vote to every well-conducted man who had been a few years in the colony.

The Constitution Act left undefined the relationship between the executive and the legislature; that is, it established representative but not necessarily responsible government. Wynyard, who was acting as Governor when the Assembly met for its first session in May 1854, refused to take the responsibility of acceding to an immediate demand that he should appoint his ministers on the advice of the popular chamber. But the colonists were not required to enter upon a political struggle to vindicate the right of their elected representatives to choose and control the executive. The battle had been fought elsewhere; and the British Government had even abandoned the idea that responsible government should be introduced gradually. The session of 1856 saw the establishment of full responsible government qualified only by the British Government’s retention of the right to deal with native affairs and certain other matters. The federal system of government in New Zealand lasted from 1854 until 1876. Though originally it was well suited to the needs of the colony, improvements in transport and communications, the growth of a sense of national unity, and the need for planning development works on a national scale, gradually rendered it
an obstacle to economic and social progress. Moreover, considered as a federal system, provincial government in New Zealand had serious defects. The financial relationship between the provincial governments and the centre, the crucial point in any federal system, was ill-defined and unsatisfactory in practice.

It was not the desire of the New Zealand colonists or the intention of their government that the abolition of the provinces should result in centralisation of government in Wellington. Throughout the nineteenth century, the development of British political institutions, in England and in the colonies, is powerfully influenced by a deep-rooted popular mistrust of paid officials and of any trend towards centralised bureaucracy, a mistrust which expressed itself positively in a firm and often uncritical belief in the value of local government. The century which saw the development of representative government in England saw also the development of a network of elective local authorities, both rural and urban, exercising extensive powers under general supervision from the centre. The New Zealanders followed naturally in the same path. The provincial governments had themselves encouraged, not always successfully or wisely, the development of municipal councils and of road boards in their areas. When it abolished the provincial governments, the central Parliament had no intention that it should be the sole legatee of their powers. It immediately set about the creation of a uniform
national system of local government which was to inherit from the provincial governments all functions not of direct national importance. Hence the Municipal Corporations Act of 1876; hence also the Counties Act of the same year. Popular municipal government had in England been the precursor of representative government on a national scale; and the English municipality had received its definitive form in the Municipal Corporations Act of 1835. In England rural local government was in 1876 still in the hands of non-elective magistrates; but elective county councils were predictable. For the system of elective county councils established by the Act of 1876 there was precedent in the United States and also in the neighbouring colony of Victoria, which had introduced a system of elective shire councils two years previously.

With the abolition of the provinces and the establishment of a national system of local authorities, the constructional period in New Zealand's political development came to an end. The ensuing sixty years have seen little alteration in the form of political institutions and few additions to their number. Political and administrative history after 1876 is in a large measure the history of the efforts of New Zealanders to make comfortable and convenient a house built for them by political architects influenced more by preconceptions than by immediate needs.
IN AREA New Zealand is slightly larger than the United Kingdom, about half the size of France, and larger than most of the Balkan states. Its population is approximately 1,650,000, which places it amongst the smallest independent states in the world.

Besides being small, the population is remarkably homogeneous. With the exception of 90,000 Maoris, there is no important racial or national minority. Census records up to 1936 indicate that no less than 95 per cent of the population (excluding Maoris) are of British origin. According to the 1936 census 80 per cent were born in New Zealand, 19 per cent in other British countries, and 1 per cent in foreign countries.

In 1936 slightly more than a third (36.6 per cent) of the total population lived in the four main urban centres, of which Auckland (212,159) is the largest and Dunedin (81,961) the smallest. Although New Zealand, like most other countries, is experiencing a trend towards urban aggregation, over the past decade the trend has been comparatively slow, and more than
40 per cent of the population is still classed as rural. On an approximately comparable basis of computation, the rural population of Australia is 36 per cent, Canada 48 per cent, and England and Wales 20 per cent.

The age grouping of the European population at 1 April 1939 is indicated in the following table:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Under 5 years</th>
<th>5 years and under 10</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
<th>65</th>
<th>70</th>
<th>75</th>
<th>80</th>
<th>Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>121,464</td>
<td>122,400</td>
<td>132,100</td>
<td>135,700</td>
<td>132,800</td>
<td>131,000</td>
<td>119,600</td>
<td>106,500</td>
<td>95,600</td>
<td>90,400</td>
<td>90,900</td>
<td>82,800</td>
<td>66,000</td>
<td>47,500</td>
<td>30,900</td>
<td>17,700</td>
<td>12,900</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,536,264</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

South Africa and Canada have substantially, and Australia slightly, younger populations than New Zealand; England and Wales has a slightly older population. At 1 April 1939 the adult European population (which is, unimportant categories excepted, the electorate) comprised 65.06 per cent of the total. Of
the 999,464 adults, 504,995 were males and 494,469 females.

The occupations of those members of the population classed as actively employed are given in the following table, with comparative figures for certain other countries. Both sexes are included, but New Zealand figures are exclusive of Maoris:

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>New Zealand</th>
<th>Australia</th>
<th>England and Wales</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1936)</td>
<td>(1933)</td>
<td>(1931)</td>
<td>(1931)</td>
</tr>
<tr>
<td>Primary Production ..</td>
<td>28.5</td>
<td>24.4</td>
<td>12.1</td>
<td>34.5</td>
</tr>
<tr>
<td>Industrial .. ..</td>
<td>25.5</td>
<td>32.1</td>
<td>40.2</td>
<td>25.3</td>
</tr>
<tr>
<td>Transport and Communication ..</td>
<td>10.1</td>
<td>8.3</td>
<td>6.9</td>
<td>8.7</td>
</tr>
<tr>
<td>Commerce and Finance ..</td>
<td>16.2</td>
<td>16.7</td>
<td>15.9</td>
<td>12.8</td>
</tr>
<tr>
<td>Public Administration and Professional ..</td>
<td>10.5</td>
<td>9.5</td>
<td>12.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Domestic and Personal Service ..</td>
<td>9.2</td>
<td>9.0</td>
<td>12.9</td>
<td>8.5</td>
</tr>
<tr>
<td>Total ..</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Of those actively employed 79.4 per cent represent wage and salary earners, 9.1 per cent are employers of labour, and 11.5 per cent are engaged on their own account.

The following table, which includes both sexes and persons of all ages, gives some indication of the distribution of total private income:
### Income

<table>
<thead>
<tr>
<th>Income (£)</th>
<th>Per cent of total income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 52</td>
<td>5</td>
</tr>
<tr>
<td>52 - 103</td>
<td>13</td>
</tr>
<tr>
<td>104 - 155</td>
<td>13</td>
</tr>
<tr>
<td>156 - 207</td>
<td>13</td>
</tr>
<tr>
<td>208 - 259</td>
<td>15</td>
</tr>
<tr>
<td>260 - 311</td>
<td>9</td>
</tr>
<tr>
<td>312 - 363</td>
<td>5</td>
</tr>
<tr>
<td>364 - 399</td>
<td>4</td>
</tr>
<tr>
<td>400 - 499</td>
<td>5</td>
</tr>
<tr>
<td>500 - 599</td>
<td>3</td>
</tr>
<tr>
<td>600 - 749</td>
<td>3</td>
</tr>
<tr>
<td>750 - 999</td>
<td>3</td>
</tr>
<tr>
<td>1,000 - 1,999</td>
<td>5</td>
</tr>
<tr>
<td>2,000 - 2,999</td>
<td>2</td>
</tr>
<tr>
<td>3,000 - 3,999</td>
<td>1</td>
</tr>
<tr>
<td>4,000 or over</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Since there has been free and compulsory education for more than sixty years, there is practically no illiteracy. In 1937, of the children leaving primary schools, about 65 per cent went on to post-primary schools.

It will be seen from the figures quoted in the preceding paragraphs that New Zealand can be regarded as a relatively favourable field for the working of representative institutions. There is an even distribution of the population between town and country; there are no vast urban aggregations as in Australia; illiteracy is practically non-existent; there are no substantial national or racial minorities; wealth is as
evenly distributed as it is likely to be in a capitalist society; and a relatively large section of the population is within those age groups in which stability of judgment may be expected. In short, almost all those factors which in other countries have strained or distorted representative institutions are absent. Moreover the country is so small, both as to area and as to population, that the institutions of government are less able to develop those impersonal and bureaucratic qualities which in larger countries create a gulf between those who govern and those who are governed.

In New Zealand, as in all countries calling themselves democratic, there is a gap between the electorate and the constitutionally established organs of government which is filled by political parties—organisations which in New Zealand are recognised by constitutional convention but not by the written law. It is through parties that the political opinions of the electors are effectively expressed; it is through parties that political representatives are chosen; and it is through parties that the membership and the tenure of office of the executive are determined.

The best way to describe the party system in New Zealand is to give its history; for its outlines are so constantly fluctuating that generalisations are dangerous. Between the establishment of representative and responsible government in 1856 and the abolition of
The provinces in 1876, neither in the General Assembly* nor in the electorate was there any semblance of political organisation by groups professing adherence to certain political principles. In the House of Representatives, what tendency there may have been to a true party division was stifled by local feeling. The members from each province were a group working for the interests of their province, sometimes in alliance with other provincial groups. Most historians find the beginnings of the party system in the recurring disputes over the powers of the provinces, which divided the House into centralists and provincialists. The leader of the provincialists in their final attempt to save the federal constitution was Sir George Grey, who in England might have been called a Gladstonian Liberal; and partly because of this the provincialists had what was vaguely called a ‘Liberal’ attitude to most public questions. They were not, however, called a Liberal party; nor had they any permanent organisation for parliamentary or electoral purposes. For the greater part of the period between the abolition of the provinces and the election of 1891, New Zealand was governed by the ‘Continuous Ministry’, which Reeves has described as ‘an arrangement by which the Cabinet was from time to time modified

*The term ‘General Assembly’ is the proper legal and official description of the legislature of New Zealand; and since the legislature has a distinct title, the more correct use of the term ‘Parliament’ is in its restricted sense to indicate the personnel of the General Assembly during a particular period running from one general election to the next. Even in official usage, however, this distinction is not consistently observed.
without being completely changed at any one moment . . . . The continuous process was rather the outcome of rapidly changing conditions than of any set plan of purpose.' The Continuous Ministry, it is clear, was a phenomenon made possible by the absence of organised political groups in the General Assembly. The governments of the period represented a natural colonial aristocracy of large landowners and upper middle class professional men. One observer notes that 'the fashionable clubs were then only the adjuncts of Parliament and the Cabinet; political leaders and Ministers were to be met there; and in spite of the somewhat advanced ideas of its leaders, the middle class was conscious that the preponderating influence was on its side.' It would be more accurate to say 'upper middle class', since trade and commerce were scarcely represented in the Parliaments and ministries of this period.

For the greater part of this period, there was no organised opposition party, either in the House of Representatives or in the electorates. This is usually attributed to Sir George Grey's defects as a leader and organiser. To some extent, however, it was due to the gradual disappearance of that community of aims and interests which, in the few years before and after the abolition of the provinces, had brought together a political group under Grey's leadership. Less than a decade after the Abolition Act, the provincialist-centralist division had lost its relevance; while the
Liberalism of Grey was a very different thing from the native radicalism which was being generated in the rural districts by land monopoly and in the towns by unemployment (the eighties were a period of acute economic depression) and sweated labour. The difference between the old Liberalism and the new is shown by the tariff issue. Grey and his associates, whose political principles were the product of an English rather than a colonial environment, were free-traders because it was to them unthinkable that Liberals could be otherwise; the newer Liberals who began to make their presence felt in the House of Representatives in the mid-eighties, were pragmatic protectionists, seeing no other remedy for 'sweating' in the colony's secondary industries. And it was the tariff issue which, in 1888, brought the Liberals together in an organised group for the first time since the battle over the Abolition Bill, a development followed a year later by the election of John Ballance to be their leader. Ballance is the transitional figure between the two Liberalisms. To the end, he remained a provincialist, always ready to oppose measures likely to centralise political power; but on general social questions his views were the product more of actual colonial conditions than of the historic principles of Liberalism. Richard John Seddon, his chief lieutenant, was in every respect a man of the new political era that was dawning. Liberalism, which in England connoted laissez-faire, was in New Zealand under his leadership
to become associated with state socialism and state regulation of industry and commerce.

The general election of 1890, which brought the newly-organised Liberal party into power, marks the beginning in New Zealand of the stable, two-party system of government. In the period between 1854 and 1891, the average life of a ministry was a little more than a year; Seddon was Prime Minister for thirteen years, and during the whole of this time had the support of a compact and obedient party in the House of Representatives.

The history of the opposition during the Seddon regime is of very considerable interest. At first, it consisted of the remnants of the large landowning and upper middle class professional interests (now usually called 'Conservatives') who had constituted the main strength of the Continuous Ministry. But as time went on it gradually lost its vitality and its cohesion; and in 1901 its leader Captain (later Sir) William Russell announced to the House of Representatives that 'as an organised body, the Opposition had ceased to exist'. Two years later the opposition reorganised itself under the leadership of William Ferguson Massey, the name 'Conservative' being allowed to drop. The meaning of the change of leadership is clear enough. The Liberals had come into power as the opponents of land monopolies and, with the leasehold tenure as their instrument, had assisted in the creation of a class of small landowners. As happens in so many
revolutions, the beneficiaries, anxious to consolidate their gains, turned conservative. Those whom the leasehold had put on the land now demanded the freehold. Massey, himself a farmer, was the representative of this new class of conservative small proprietors, a class from which, towards the close of the century, the opposition drew its main strength.

Seddon died in 1906, and although the Liberal Government outlived him by six years, the foundations on which it was built had already begun to crumble. In the early nineties it was easy enough for the lower middle classes and the trade unions to make common cause against land monopolies; and as late as 1904, Siegfried believed Seddon to be ‘secure in the solid and double basis of his majority of small-holders and working men’. But in fact the growing conservatism of the small holders and the growing militancy of the trade union movement was destroying what had never been a very real synthesis. The Government, influenced by falling prices for primary products and by consequent budgetary difficulties, drifted gradually to the right. The emergence, in the 1905 election, of an independent Labour party, spelled its doom. In the election of 1911 it lost its majority and after the brief interlude of the Mackenzie Government, Massey (his group had chosen the name Reform party) became Prime Minister. The twenty-one years between the fall of the Liberal Government and the general election of 1935, which brought the Labour
party into power, are, as far as party government is concerned, a period of confusion and instability. As their electoral platforms show, the Liberal and Reform parties no longer differed on any important issue. They continued as separate organisations only for personal and historical reasons and because the Labour party at first progressed so slowly that the right wing forces did not feel the need of consolidation. From 1911 until 1926 the Reform party had a slight majority over the Liberal opponents and the Labour party combined. During the Great War a coalition government representing the two main parties was formed out of deference to popular demand for a semblance of national unity; but when peace came there was a return to the three-party struggle. In 1926 the Reform party, led by Joseph Gordon Coates, who had succeeded Massey, won its first sweeping victory at the polls; and it was confidently assumed that the Liberal remnant, which had in desperation taken the name United party as the 1929 election approached, would pass out of existence. But an electoral whim, which is not easily explained, deprived the Reform party of its majority and placed in power a United party ministry led by Sir Joseph Ward, now old and in ill health. Ward's death in 1930 and the onset of the economic depression, forced that amalgamation of the two parties of the right which the logic of events had demanded for at least a decade; and until the general election in 1935 New Zealand
Graph showing percentage of votes recorded for Parliamentary parties 1908-1938.

Legend:
- Reform
- Liberal
- Labour
- Other (National 1935-8)
The Electorate and Political Parties

was governed by a coalition the supporters of which became by gradual stages the National party. In the meantime the Labour party had been making steady though slow progress and in the general election of 1931 secured twenty-one seats, mostly representing urban constituencies. New Zealand has now returned to the two-party system which existed before the emergence of the Labour party.

It will be seen from this brief historical survey that, although New Zealand took its political institutions ready-made from England there has been no inclination to follow English party divisions. One might say that the whole New Zealand electorate is oriented somewhat to the left of the English electorate, as is shown by the fact that no political party has consistently used the term conservative. Gladstonian Liberalism flourished briefly in the seventies; but the native Liberalism of the nineties was a political creed owing nothing to external influences. It is only with the rise of the Labour party that the party contest in New Zealand has begun to develop points of real similarity with the party contest in England, which may be another way of saying that in almost all countries the class conflict has become the main political cleavage. It will also be noted that party groupings, particularly those of the right, are relatively unstable, electoral defeats usually bringing changes of name and of leadership in an effort to recapture public favour. The Labour party, which has varied its organisation and
its formal principles little in more than thirty years, is in this respect exceptional. Although it is not less adroit than other parties in adapting its election programmes to the needs of the moment, these shifts take place against the background of a formal, if somewhat unreal, adherence to socialism and an intimate and stabilising connection with the trade union movement.

New Zealand has never developed that stability in party politics which in England is the product of long-established and vital political traditions and in America of powerful, efficient, and wealthy party organisations. One reason for this is that New Zealand people have not readily accepted party government as desirable and necessary. In 1891, the New Zealand Parliament set up a committee many of whose members were then, or subsequently became, important political figures, to report upon the working of party government in New Zealand. The committee after condemning, in vigorous and even violent terms a system which placed the executive in a 'whirl of political debauchery', recommended that the ministry should in future be elected by Parliament as a whole. Many subsequent attempts were made to persuade Parliament to sanction this change; and in 1912 an elective executive bill was defeated on the second reading by only one vote. It is perhaps true that not many of the members of the committee of 1891 really believed that what they were advocating was practicable, but it can hardly be doubted that what they said in condemna-
tion of party government had the enthusiastic support of a large section of the electorate. The feeling against party may be nebulous and unpractical; it should not on that account be ignored, since it has been a powerful factor in the development of the machinery of representative government in New Zealand.

An obvious and important correlation exists in New Zealand between the trade cycle and the fortunes of political parties. Generally speaking prosperity brings a swing to the left and economic adversity a swing back to the right. During the greater part of the period of the Continuous Ministry New Zealand was in the throes of a depression. The success of the Liberal-Labour party coincided with, and was to some extent made possible by, a recovery in prices for primary products on the world markets. The downward trend of prices which began in 1906 drove the Liberal Government to the right and was one factor in bringing the conservative Reform party into power. The upswing of the economic pendulum after the economic depression of 1929-34 brought New Zealand back, under the leadership of the Labour Government, to radicalism and social experiment.

The New Zealand Labour party might fairly be called the political superstructure of trade unionism; for, although in the last two elections it has gained a larger measure of electoral support than any party has gained since the days of Seddon and although its
present policy is not framed in the interests of a class, it is nevertheless true that the trade union movement provides its organisation, a majority of its leaders, a large part of its revenue, and a solid nucleus of electoral support. The national conference, which is held each Easter and is in theory the supreme authority in the party, consists of delegates from the party’s branches and affiliations, including trade unions. Since the trade unions are more numerous than the branches and other affiliations and have larger memberships, their delegates are in a majority. The national executive, which is elected by the conference, consists of five members resident in the area where the party headquarters are situated and twelve members representing the divisional areas. The first group functions as a central executive, and in effect has great influence over the shaping of policy, the agenda of the national conference, and the selection of parliamentary candidates. The national executive meets only to discuss important business, though the twelve divisional representatives are freely consulted by post. The procedure for the selection of parliamentary candidates involves a nice compromise between central and local powers. All candidates must be chosen from a list of approved candidates drawn up by the national executive; and nominations to this list can be sent in by any six members of the party. For general elections, the selection of candidates is made by Labour representation committees which
control groups of electorates and consist of delegates from branches and affiliations. Like the national conference, these committees are dominated by the trade union delegates. Candidates for by-elections are selected by the national executive. In the selection of candidates for local body elections, the Labour representation committees have a free hand.

Party discipline, particularly in matters of policy, is fairly strict. Members are unequivocally pledged to support the existing policy of the party in all its details, and breaches of the pledge can be visited with expulsion. An interesting example of the degree of loyalty expected was given in 1934, when the national conference deleted from the party programme a clause advocating proportional representation. At that time the Christchurch City Council was elected on a system of proportional representation; and the Labour majority on the council, acting on instructions from the national executive, voted for a return to the first-past-the-post system, even though some of them were personally opposed to the change.

A feature of the Labour party’s organisation which has lately aroused much controversy is its financial connection with the trade union movement. Before the present Labour Government came into power in 1935, trade unions were free to use their funds for political purposes if their rules so provided. In 1936 the Labour Government made trade unionism compulsory and, by the Political Disabilities Removal
Act of the same year, empowered trade unions to make grants from their funds to a political party 'notwithstanding that there is no provision in the rules . . . authorising the use of its funds for political purposes.' Since only a few unions—mainly those in 'white-collar' occupations—have failed to take advantage of the right, the effect of these changes is that to become an employee in almost any industry is to become a contributor to the funds of the Labour party. Some unions make the contribution as a vote from their general funds; others impose a special political levy on members. To compel men, even though they are a small minority, to contribute financially to the support of a cause in which they do not believe, seems unwise and unjust. Granted that trade unions ought to be allowed to make levies on their members for political purposes, the right of 'contracting out', as provided for in the English act of 1913, seems a necessary safeguard of individual rights. The financial connection between trade unions and the Labour party must, however, be viewed in relation to the murky question of party funds generally as well as in relation to the rights of the individual. As Mr Ramsay Muir has pointed out, brewery companies find money for political purposes without taking a poll of their shareholders or giving them an opportunity to contract out.

The political organisation which has in recent years, under different names, given effectual political expres-
sion to the opinions of the more conservative sections of the electorate is not comparable in administrative efficiency, in active membership, or in certainty of constructive purpose with the Labour party. When, in 1931, the stress of the economic depression caused the United and Reform parties to enter a coalition and finally to amalgamate, the country was saved from the undoubted evils of the three-party system; but it would seem that this consolidation of anti-Labour forces has had the further effect of weakening the vitality of the political right. The National party, which is the result of the consolidation, has concentrated mainly on the negative task of uniting all the non-Labour elements in the electorate. On the one hand, it feels the need for holding in check the incipient tendency of the farmers to independent political action; on the other hand, it cannot do without the support of the commercial, financial, and manufacturing interests which contribute so largely to its funds. A policy which seeks to hold together these divergent interests is necessarily vague.

The electoral organisation of the National party differs from that of the Labour party in being less centralised and in imposing less rigid tests of political conformity. The unit of organisation is for most purposes the single electorate. The selection of candidates is in the hands of electorate committees composed of representatives of the branches in the electorate, the central organisation having no formal
power to intervene. There are five divisional areas, three in the North Island and two in the South Island, in which party affairs are controlled by divisional committees consisting of representatives of the electorate committees. Divisional committees and electorate committees have wide powers of co-optation. Each electorate is entitled to send four delegates to the annual conference, which elects the president, vice-presidents, and treasurer. The Dominion council consists of these officers, twenty-one members elected by the divisional committees, and five members elected by the National members of Parliament. There is a standing committee on policy consisting of three nominees of the Dominion council and three members of Parliament appointed by the parliamentary leader of the party, who acts as chairman.

The financing of party election campaigns is an obscure but important subject. Though the Electoral Act limits a candidate's expenses to £200, there are ways of circumventing this provision; and it is common knowledge that the amount spent by and on behalf of party candidates is normally greater. In by-elections, or in contests of special importance, the cost of a candidate's campaign will sometimes exceed £1,000. For a candidate of the right, the cost of contesting a seat in a general election is usually between £300 and £500. The Labour party, having a better administrative machine than its opponents, can run elections more cheaply. In addition to expendi-
ture on behalf of individual candidates, it is necessary to take into account divisional and national expenditure by the party organisations. In recent years, national expenditure by party organisations has grown rapidly, mainly because of the increased use of newspaper advertising and of the services of advertising experts. In the general election of 1938 the national advertising of both parties was handled by advertising agencies. In this election, the Labour party's expenditure from the centre, according to its balance-sheet, was £36,000, though it is not clear how much of this was used to assist individual candidates and how much on publicising the party as a whole and financing the electoral tours of its leaders. In the previous general election, however, when the Labour party was in opposition, its expenditure from the centre was only £4,300. The remarkable increase in 1938 is partly explained by the increase in the number of trade unionists owing to the introduction of compulsory unionism and changes in the law governing political contributions from union funds.

In New Zealand, as in the United States, elections are rarely fought on specific and practical issues like tariff policy. The party leaders are, where public opinion is concerned, not leaders but followers. The party programmes, being as it were sails set to catch the breeze, differ in emphasis rather than in substance. If the left has a national health scheme, the right must have one too, even though it is committed to reduce
taxation. If the left has a scheme to assist dairy farmers, the right will not allow its prejudice against state intervention in industry to prevent it from having one that is more or less similar. If the right proclaims itself the defender of the farmer’s freehold against socialism, the left will not find its theoretical attachment to socialism an obstacle to the promise of measures to safeguard the farmer’s equity in his land. It is true that, on certain matters of principle, there is apparently a sharp division. The Labour party stands committed to socialism; the right vociferates its determination to uphold the freedom of private enterprise. But there is an implicit understanding that a Labour government will not set about the immediate and wholesale expropriation of private enterprise and that a government of the right, far from attempting a return to laissez-faire capitalism, will merely slow down the extension of the powers of the State. The left’s formal adherence to socialism and the right’s championing of private enterprise are not, however, meaningless; they show that the present party system in New Zealand has its ultimate origin in an economic conflict between classes. The reason why parties do not carry their principles to a logical conclusion and even abandon them on occasions is that the class conflict, as expressed in the party conflict, is restrained and complicated by a variety of factors. In the first place, there is a clear understanding that the party conflict takes place within the conventions of the
existing politico-economic system. These conventions are, as it were, the ropes of the ring, and the spectators know well enough that the contestants, for all their bawling and thumping, are not fighting it out to the death. When they enter the ring, they accept the rules of the game. In the second place, the tendency of the party conflict to become a class conflict is restrained by the uncertainty of large and electorally important sections of the community as to where their class interest lies. This is particularly true of the small farmers of New Zealand, who tend to become conservative in periods of prosperity. Finally, the desire to gain control of the State, and to retain this control when it has been gained, modifies the attachment of party representatives to class interests.

Since 1879, parliamentary elections have been held in New Zealand every three years, with the exceptions that during the Great War the life of the 19th Parliament was extended to five years and that in the economic depression the life of the 24th Parliament was extended to four years. In the great majority of electorates, the contests are between candidates representing the two main parties.

At the census of 1936 New Zealand had 1,491,484 European inhabitants, of whom 826,804 lived in the sixty-four cities and boroughs with more than 2,000 inhabitants, leaving a rural population of 627,290. For electoral purposes, the total of rural population is increased by 28 per cent, or 175,641. This gives a
nominal population of 1,667,125. The number of European seats in the House of Representatives is seventy-six, so that the quota figure taken by the Representation Commission, which re-defines electoral boundaries after every census, was in this case 21,936.

The heavy ‘weighting’ of the rural population for electoral purposes in a country which is, in most respects, ultra-democratic, is somewhat curious. In part it is a matter of convenience. In the country areas, many electorates are even now of an unwieldy size. The conservative governments who first introduced the principle were in addition swayed by the belief that the economic and political stability of New Zealand was in the hands of the landowners, the men with ‘a stake in the country’. The survival of the county quota is perhaps an indication that New Zealand is a democracy of small capitalists rather than a proletarian democracy. In this connection it may be noted that the county franchise still provides for plural voting on a property basis.
THE NEW ZEALAND Parliament, the function of which, according to the Constitution Act of 1852, is ‘to make laws for the peace, order, and good government of New Zealand’, is, like the Parliaments of the other Dominions, a close copy of the British Parliament. By the Legislature Act of 1908 its privileges are defined as those exercised by the British House of Commons in 1865 in so far as they do not conflict with the Constitution Act.* Its standing orders likewise follow British practice, the principal points of difference arising from its relatively small membership, which makes possible a less strict control by the executive over debating time than is necessary in the British House of Commons. Normally, one session is held every year, beginning in June or July and finishing in October or November, though short sessions are sometimes held in February or March.

The differences between the powers of the New

*The Legislature Act, 1908, it should here be observed, was a consolidating measure which in this respect merely repeated the provisions of the Parliamentary Privileges Act, 1865.
Zealand and the British Parliaments are those incidental to New Zealand's status as a Dominion.

Most authorities on constitutional and international law agree that the New Zealand Parliament does not possess full sovereignty. The principal limitations on its sovereignty are of three kinds:

1. the Governor-General's power to reserve for the signification of the Sovereign's pleasure a bill passed by both Houses and sent to him for his assent;

2. the Sovereign's power to disallow, in certain circumstances, New Zealand acts;


The Governor-General's power of reservation is both discretionary and obligatory. Discretionary reservation, which is provided for in the Constitution Act (sections 36 and 39), is a legal but not a political restriction on Parliament's sovereignty, since it is by convention exercised only on the advice of ministers. Obligatory reservation is exercised either under instructions or under statute. The Governor-General may, under the Constitution Act (section 36) be instructed by the Imperial Government to reserve bills dealing with specified classes of subject matter. On New Zealand's elevation to Dominion status in 1907 the obligatory reservation clause was removed from the Governor's instructions, although it was generally recognised that the powers of reservation and disallowance could still be exercised in excep-
tional cases. For example, as recently as 1923 the British Nationality and Status of Aliens Act was reserved by the Governor-General, and it was again reserved in an amended form in 1928 'as a matter of policy'. But the Constitution Act also specifies certain matters in which the power of reservation must be exercised without prior reference to the Imperial Government. If, for instance, both Houses passed a bill to alter the salary of the Governor-General, reservation would be obligatory. The New Zealand Constitution Act (section 58) also confers on the Sovereign the right to disallow legislation. The **Colonial Laws Validity Act** of 1865, which is still in force in New Zealand, in effect provides that any New Zealand act repugnant to the provisions of an act of Parliament of the United Kingdom extending to New Zealand by express words or necessary intendment, or repugnant to any order made under the authority of such an act, is, to the extent of such repugnancy, inoperative. By adopting sections 2 to 6 of the Statute of Westminster, which it has power to do at any time, the New Zealand Parliament can remove the limitations on its sovereignty implicit in the Colonial Laws Validity Act.

On the question whether the New Zealand Parliament has power to legislate with extra-territorial effect there is some difference of opinion among lawyers and some conflict of precedent. The New Zealand
Supreme Court held *In re Award of Wellington Cooks' and Stewards' Union* that the terms of a New Zealand industrial award were binding on a ship registered in New Zealand wherever she might be. The value of this decision as a precedent appears, however, to have been cancelled by the decision of the Court of Appeal in the case *Rex v. Lander*, where it was held that a New Zealander could not be punished by the New Zealand courts for a bigamy committed in England. More important than either of these decisions is the action of the New Zealand Government in procuring from the British Government an Order in Council under the Foreign Jurisdiction Act of 1890 empowering the New Zealand Parliament to legislate for Western Samoa, which became a New Zealand mandate in 1919.

The extent of the constituent power of the New Zealand Parliament is likewise obscure. The Constitution Act of 1852 contained no reference to the constituent power; but an Imperial act of 1857 gave the New Zealand Parliament power to alter the provisions of the Constitution Act, with several important exceptions. The question is whether these exceptions continue to limit the constituent power or whether they have been nullified by section 5 of the Colonial Laws Validity Act of 1865, which declares that 'every Representative Legislature shall, in respect to the Colony under its Jurisdiction, have, and be deemed at all Times to have had, full Power to make Laws
respecting the Constitution, Powers, and Procedure of such Legislature; provided that such Laws shall have been passed in such Manner and Form as may from Time to Time be required by any Act of Parliament, Letters Patent, Order in Council, or Colonial Law for the Time being in force in the said Colony'. According to Berriedale Keith, 'the better opinion seems to be in favour of the wider power'. The first important exercise of the constituent power — the abolition of the provinces — did not test the legal issue, since an Imperial act of 1868 specifically declared the power of the New Zealand Parliament to abolish any province in the colony. Recent constitutional developments in other parts of the British Commonwealth suggest, however, that in practice the legal competence of the New Zealand Parliament to alter the constitution is not likely to be questioned. Of greater practical importance is the question whether the constituent power is limited by constitutional convention. The government which procured the passing of the Abolition of the Provinces Act, recognising that alterations to the constitution ought to be differentiated from ordinary legislation, deferred the operation of the Abolition of the Provinces Act until after a general election had been held and its mandate confirmed. This precedent was not followed when the term of Parliament was reduced from five to three years in 1879 or when the conditions of appointment of Legislative Council members were altered in
1891, so that it cannot be regarded as a convention.

When, in 1934, the New Zealand Parliament, by a single section in a Finance Act, extended its own life from three years to four, both the propriety and the legality of its actions were called in question. Berriedale Keith maintains that 'to extend the life of the legislature without a mandate is clearly a strong step, justified, if at all, only by war'. An Australian authority, H. V. Evatt, calls such action 'an abuse of legal power' and says that 'the right and duty of the Crown in relation thereto are of the utmost importance'. It would seem, however, that the possibility of the Crown intervening (through its reserve powers) to prevent postponement of dissolution was finally disposed of in 1919 when the Imperial Government recalled the Governor of New South Wales, Sir Gerald Strickland, for threatening to refuse assent to a bill extending the life of the sitting Parliament. However, since the overwhelming defeat of the Government party in the 1935 general election in New Zealand is regarded as in part a consequence of the postponed dissolution, future Parliaments are not likely to extend their own lives except in an acute emergency.

The New Zealand legislature is bicameral; but although the upper chamber—the Legislative Council—has, on paper, wide powers, it does not play an important part in the processes of government and its proceedings are meagrely reported in the press.
This was not always so. The Constitution Act provided for a Legislative Council consisting of an indefinite number of members appointed for life on the nomination of the Government. In the early period of New Zealand’s constitutional history, the debates of the Council, by reason of the independence of its members, who had no need to propitiate either the electorate or the Government, could on occasions attract more public attention than those of the House of Representatives. But, as membership was for life, the vigour of the Council gradually declined; and when a Liberal-Labour Government came into power in 1891 the council’s conservatism was its undoing. A Government bill to reduce the term of office of Legislative councillors to seven years was passed by the House of Representatives in 1891. Ballance, the Premier, requested the Governor, Lord Onslow, in 1892 to appoint twelve new members to the Legislative Council in order that the legislation of his party would receive reasonable consideration in a House of which only five of thirty-five members supported the Liberal-Labour Government. As Onslow was about to leave the country, he deferred the decision to his successor, Lord Glasgow. The new Governor would agree to only nine appointments, but after a bitter controversy in which Ballance appealed to the Secretary of State, Glasgow was forced to accept the advice of his ministry. Since this test case, the dependence of
the Legislative Council on the House of Representatives has been complete. Though it is customary for one of the minor portfolios to be held in the Legislative Council there is a strong feeling against any major portfolio being held there. In 1932 several Government members voted for a reduction in the education estimates as a protest against the portfolio of Education being held by a Legislative councillor.

In the writing of political history and in political discussion much time and trouble are saved by the use of labels. Governments are spoken of as ‘Liberal’ or ‘Conservative’ or ‘Labour’; and the use of these adjectives implies the existence of a definite philosophy and a definite programme. But in a country like New Zealand, where political life is as much a struggle for office as a conflict of philosophies, the use of these labels somewhat hinders realistic thinking about politics. One reads that in such-and-such a year a Conservative government came into power. It would be much more revealing to read that in such-and-such a year two lawyers, five sheepfarmers, and a wholesale ironmonger, all of them over sixty years of age and three of them with university training, took over the government of the country. To know the social origins of members of Parliament, how they were educated, what ages they were when they were elected to Parliament is obviously of some importance.

In analysing the personnel of New Zealand Parlia-
ments it is convenient to regard the history of representative government in New Zealand as falling into four naturally demarcated and fairly equal periods. The first period begins with the opening of the first Parliament in 1854 and ends with the abolition of the provincial system in 1876. The second lasts from the abolition of the provinces to the Liberal-Labour ‘revolution’ of the early nineties. The third period lasts to the downfall of the Liberal regime in 1911. The fourth period extends from 1911 until the sweeping Labour victory at the polls at the end of 1935. Though it is as yet too early to generalise, it seems probable that the 1935 election marks the beginning of another distinct period.

In the first period of representative government in New Zealand the franchise was held by all males owning land to the value of £50 or leasing property of an annual value of £10. In 1854 the European population was only 50,000; and by 1876 it had risen to about 400,000. The following tables give the age groupings and average ages for the Parliaments of this period:

**AGE GROUPING OF MEMBERS OF PARLIAMENT 1854-71**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>13</td>
</tr>
<tr>
<td>30-39</td>
<td>44</td>
</tr>
<tr>
<td>40-49</td>
<td>56</td>
</tr>
<tr>
<td>50-59</td>
<td>31</td>
</tr>
<tr>
<td>60 and over</td>
<td>6</td>
</tr>
<tr>
<td>No data</td>
<td>142</td>
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</table>

Average ages in Parliaments: 1854, 39.8; 1856, 39.2; 1861, 40.4; 1866, 43.3; 1871, 45.0.
In the next table standards of education are indicated. The 'primary' group includes those whose education stopped at the elementary stage, the 'secondary' group those who attended a High School or its equivalent.

EDUCATION OF MEMBERS OF PARLIAMENT 1854-71

<table>
<thead>
<tr>
<th>Primary</th>
<th>Secondary</th>
<th>University</th>
<th>No Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>84</td>
<td>46</td>
<td>127</td>
</tr>
</tbody>
</table>

In the occupational classifications which follow, 'commerce' indicates members who are managers of banks or commercial firms or who are traders on a large scale; 'trade' indicates members who are in a small way of business and 'manual labour' includes both skilled and unskilled workers. For the most part this classification indicates the occupations of members at the time they were first elected to Parliament.

OCCUPATIONS OF MEMBERS OF PARLIAMENT 1854-71

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1854-71</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
<td>32</td>
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<tr>
<td>Professional</td>
<td>41</td>
</tr>
<tr>
<td>Journalism</td>
<td>15</td>
</tr>
<tr>
<td>Commerce</td>
<td>37</td>
</tr>
<tr>
<td>Trade</td>
<td>8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
</tr>
<tr>
<td>Farming</td>
<td>45</td>
</tr>
<tr>
<td>Trade Union Secretaries</td>
<td>—</td>
</tr>
<tr>
<td>Labourers</td>
<td>7</td>
</tr>
<tr>
<td>No Data</td>
<td>77</td>
</tr>
</tbody>
</table>
These early Parliaments are remarkable for the low average of ages, the relatively high standard of education, and for the preponderance of professional men.

In the period between 1876 and 1890 perhaps the most important political development is the introduction of the system of weighting the rural population for electoral purposes. This is also the period of the Continuous Ministry and of the domination of Parliament and the Cabinet by upper middle class businessmen and landowners. The personnel of the Parliaments is analysed in the following tables:

**AGE GROUPING OF MEMBERS OF PARLIAMENT 1876-90**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Under 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 and over</th>
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</tbody>
</table>

Average ages in Parliaments: 1876, 46.6; 1879, 45.9; 1881, 45.7; 1884, 48.5; 1887, 49.5; 1890, 47.4.

The average of ages of members of Parliament, it will be noticed, is higher than for the previous period and still shows a slight rising tendency.

**EDUCATION OF MEMBERS OF PARLIAMENT 1876-90**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Primary</th>
<th>Secondary</th>
<th>University</th>
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<tbody>
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<td></td>
<td>138</td>
<td>189</td>
<td>87</td>
<td>97</td>
</tr>
</tbody>
</table>

In these Parliaments there is a decline in educational standard. A third of the members for whom figures are available had only primary education.
OCCUPATIONS OF MEMBERS OF PARLIAMENT 1876-90

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1876</th>
<th>1877</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
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<tr>
<td>Professional</td>
<td>72</td>
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<tr>
<td>Journalism</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Commerce</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Farming</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>Trade Union Secretaries</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Labourers</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>No Data</td>
<td>70</td>
<td></td>
</tr>
</tbody>
</table>

The relative weight of the farming interest shows a slight increase, being about 29 per cent for the six Parliaments compared with about 24 per cent for the previous five Parliaments. Lawyers and professional men together still constitute the largest group, though their predominance is much less marked than in the previous period. There is an increase in the class of small traders and shopkeepers, who had little representation in the first period.

Between 1891 and 1911 New Zealand politics underwent a complete transformation. For forty years political power had been in the hands of men whose ways of thought were the product of an English rather than a colonial environment. The election of 1891, which brought the Liberals into office, saw the beginning of the process whereby political power was transferred to those who had grown up in the colonial environment. During this period the franchise was extended to all adult women and the property qualification was abolished. In 1894
a regular payment of £300 a year for members of Parliament was introduced. The personnel of the Parliaments of the period is analysed in the following tables:

**AGE GROUPING OF MEMBERS OF PARLIAMENT 1893-1908**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1893</th>
<th>1896</th>
<th>1899</th>
<th>1902</th>
<th>1905</th>
<th>1908</th>
<th>1908 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>30-39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49</td>
</tr>
<tr>
<td>40-49</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>123</td>
</tr>
<tr>
<td>50-59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>138</td>
</tr>
<tr>
<td>60 and over</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>70</td>
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<td>No data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49</td>
</tr>
</tbody>
</table>

Average ages in Parliaments: 1893, 48.1; 1896, 49.0; 1899, 50.0; 1902, 51.1; 1905, 51.4; 1908, 50.6.

It will be seen that the average of ages of members of Parliament is steadily increasing and that for the first time the age group 50-59 is the largest.

**EDUCATION OF MEMBERS OF PARLIAMENT 1893-1908**

<table>
<thead>
<tr>
<th>Education</th>
<th>1893</th>
<th>1896</th>
<th>1899</th>
<th>1902</th>
<th>1905</th>
<th>1908</th>
<th>1908 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
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<td></td>
<td></td>
<td></td>
<td>190</td>
</tr>
<tr>
<td>Secondary</td>
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<td></td>
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<td>University</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>23</td>
</tr>
</tbody>
</table>

Members with only primary education are now the largest group.

**OCCUPATIONS OF MEMBERS OF PARLIAMENT 1893-1908**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1893</th>
<th>1896</th>
<th>1899</th>
<th>1902</th>
<th>1905</th>
<th>1908</th>
<th>1908 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74</td>
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<tr>
<td>Professional</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>Journalism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38</td>
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<tr>
<td>Commerce</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>72</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Farming</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>109</td>
</tr>
<tr>
<td>Trade Union Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Labourers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32</td>
</tr>
</tbody>
</table>
The tendency, perceptible in the previous period, for Parliament to draw most of its members from the lower middle classes and for economic interests to be more evenly represented continues in this period. In the grouping of members of Parliament certain important changes can be seen. Among the professional men lawyers are by far the most numerous; and in the commerce and trade grouping the small shopkeepers now very definitely outnumber the rest.

In the period between the elections of 1911 and 1931 the small farmers created by the Liberal land legislation are the most important political group; but the period is marked also by the increase in the strength of the Labour party. The personnel of the Parliaments is analysed in the following tables:

**AGE GROUPING OF MEMBERS OF PARLIAMENT 1911-31**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>3</td>
</tr>
<tr>
<td>30-39</td>
<td>23</td>
</tr>
<tr>
<td>40-49</td>
<td>134</td>
</tr>
<tr>
<td>50-59</td>
<td>181</td>
</tr>
<tr>
<td>60 and over</td>
<td>101</td>
</tr>
<tr>
<td>No data</td>
<td>89</td>
</tr>
</tbody>
</table>

Average ages of Parliaments: 1911, 50.2; 1914, 51.2; 1919, 51.8; 1922, 52.0; 1925, 54.9; 1928, 54.2; 1931, 58.0.

The age average increases steadily from 50 in the Parliament of 1911 to 58 in the Parliament of 1931. The age group 30-39 is now practically negligible and the group 50-59 is easily the largest.
PARLIAMENT

EDUCATION OF MEMBERS OF PARLIAMENT 1911-31

<table>
<thead>
<tr>
<th>Primary</th>
<th>Secondary</th>
<th>University</th>
<th>No Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>237</td>
<td>191</td>
<td>77</td>
<td>27</td>
</tr>
</tbody>
</table>

The standard of education falls still lower in this period. More than half the members of Parliament have only primary education.

OCCUPATIONS OF MEMBERS OF PARLIAMENT 1911-31

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
<td>78</td>
</tr>
<tr>
<td>Professional</td>
<td>35</td>
</tr>
<tr>
<td>Journalism</td>
<td>26</td>
</tr>
<tr>
<td>Commerce</td>
<td>46</td>
</tr>
<tr>
<td>Trade</td>
<td>57</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9</td>
</tr>
<tr>
<td>Farming</td>
<td>192</td>
</tr>
<tr>
<td>Trade Union Secretaries</td>
<td>60</td>
</tr>
<tr>
<td>Labourers</td>
<td>19</td>
</tr>
<tr>
<td>No data</td>
<td>33</td>
</tr>
</tbody>
</table>

The distinctive features of this table are the increase in the number of farmers, the further decrease in the number of professional men, and the emergence of trade union secretaries as an important group.

The election of 1935 brought a remarkable reversal of some of the trends perceptible in these tables and may possibly mark the beginning of a permanent decline of the political power of the small farmer. The new House elected in 1935 had an average age of 52 compared with an average of 58 in the previous House. The number of members under 40 was larger than in any Parliament since 1914. Educational standards rose slightly. Of the members 45 per cent had had only primary education, compared with
55 per cent in the previous Parliament; while the number of university men rose to 23 per cent from 16 per cent. In the occupational groupings the most marked change was the reduction of the number of farmers to 29 per cent compared with nearly 40 per cent in the previous Parliament. Trade union secretaries rose to 20 per cent of the total. It seems clear, however, that some of the changes in the composition of the House must be regarded as abnormal. At the election of 1938 the average of ages rose to 55 and there was a slight increase in the representation of farmers.

The above survey of the composition of New Zealand Parliaments suggests that the personnel of representative government in New Zealand is not greatly different from the personnel of representative government in other parts of the world. In 1929 the average of ages for the House of Commons was 53 years; for the United States Senate in 1931 it was 59.5 years; and for the French Chamber of Deputies in 1931 it was 50 years. Probably the most distinctive feature of the New Zealand Parliament is the heavy representation of farmers—seldom below 30 per cent. Farmers in the present British House of Commons are less than 5 per cent of the total membership, in the United States Senate about 7 per cent, and in the French Chamber of Deputies about 14 per cent. The percentage of lawyers is about the same as in the House of Commons and the Chamber of Deputies.
Members of the House of Representatives are paid £450 a year,* subject to deductions for absence from sessions not due to sickness or other unavoidable causes. Travelling expenses to and from Wellington at the opening and closing of each session are allowed and also free travel on the railways. Members of the Legislative Council are paid £315 a year. Financially, therefore, the politician’s career involves grave risks and promises no substantial rewards; and Parliament is with distressing frequency called upon to make compassionate allowances to the dependents of former members. From time to time the need for some sort of pension scheme for members has been urged in the House of Representatives.

It is a weakness of democratic peoples, from which New Zealanders are not exempt, to set a low estimate on the wisdom and intelligence of those whom they elect to their popular assemblies. ‘Politicians,’ says Mr F. S. Oliver, ‘are like the pedants in Montaigne’s essay: no one has a good word to say for them. Even ordinary people like ourselves find it impossible to rid our minds of the delusion that “in essentials” (as we would put it) we are better men than these noisy, limelight-loving busybodies. And as we read

*Shortly after assuming office the Labour Government introduced a scheme (the ‘pool system’) of sharing ministerial and Labour members’ salaries. As a result, the yearly income of Labour members was increased by nearly £100, with a consequent reduction in ministerial salaries. In return members were expected to ‘give all their time to the discharge of their Parliamentary duties and . . . to co-operate with Ministers in administrative and research work.’

our newspapers, we are encouraged in the comfortable belief that our own moral and intellectual superiority, though we wear it modestly, is never for a moment in danger of being overlooked by Almighty God.’ This habit of deriding politicians at a distance and in the abstract is perhaps more marked in New Zealand than elsewhere, since the readiness with which New Zealanders call upon politicians to assist them in their economic misfortunes has its obverse in a readiness to blame politicians for their misfortunes. In few countries is so much newspaper space taken up with invective against politicians by chambers of commerce, farmers’ unions, and leader writers. New Zealanders have been fortified in their low opinion of their politicians by the pronouncements of visiting authorities on the science of politics. ‘With few exceptions and without distinction of parties,’ wrote Mr Sidney Webb in 1898, ‘there is a vulgarity of ideas and an absence of refinement among [New Zealand] politicians which is a result of the pioneer life they have led’. M. André Siegfried found the debates of the House of Representatives ‘not always edifying’. ‘It is clear,’ he added, ‘that the members know each other at too close quarters, and personal quarrels thus have a tendency to take a prominent place, which often gives the House of Representatives of Wellington the appearance of a municipal council rather than of a parliament.’ It is possible, too, that the practice adopted
in 1935 of broadcasting the more important debates has not helped the politicians, since a fragment of a parliamentary debate, removed from its context and from the peculiar atmosphere of parliament buildings, is seldom impressive.

The truth is that the New Zealand Parliament differs little from representative assemblies in other countries and other ages. If its debates are wanting in that elevation of tone of which the British House of Commons or the French Chamber of Deputies are occasionally capable, that is because of the subjects discussed, not because of the men who discuss them. The State in New Zealand is not concerned with those high issues of faith and morals which were the subject matter of politics in nineteenth-century England and produced some of the noblest outbursts of parliamentary eloquence; and, since New Zealanders are well content, perhaps too well content, to believe that their influence in foreign affairs is negligible, debates on foreign policy are rare. The New Zealand Parliament’s main concern is with the effect of state activity on the economic structure and on the economic welfare of the people; and it is unreasonable to expect elevation in discussions about national housekeeping. The main reason why politicians are harshly judged is that, in popular thinking, the functions of representative assemblies are commonly misunderstood. This in turn is because in no sphere of government are constitutional and political
truths more at variance or more commonly confused. The theory of the constitution is that Parliament controls the executive, but the political reality is that the executive controls Parliament. The theory of the constitution is that Parliament controls public expenditure; the political reality, as will be seen later, is that Parliament has never controlled public expenditure in the sense of subjecting it to a critical scrutiny and rarely objects to an appropriation on financial grounds. Even the proposition that the legislature legislate has, on the political plane of thought, only a limited validity, since all important legislation is drafted to the executive’s instructions and amended only with the consent of the executive.

The clue to the nature and functions of Parliament lies, not in legal forms, but in the relationship of its members to the electorate and political parties on the one hand and to the executive on the other. Here again legal and political truths are widely separated. The British constitution, it has been said, knows nothing about the people; Parliament is sovereign and therefore the member of Parliament is obliged to act on his own judgment and is bound by no undertaking save that to serve the State to the best of his ability. Manifestly, however, the representative of an electorate does not, once he enters the legislative chamber, become a free agent, tied neither to a party nor to a constituency. It is from the electors of Bristol, not from Edmund Burke, that the modern
member of Parliament takes his guidance in this matter; his electorate is not a ladder to be kicked away when it has served its purpose. In all democratic countries, the member is expected to be the political agent of his constituents, collectively and singly. He must present their petitions, air their grievances, and do his best to secure for them what they regard as their fair share of public expenditure. This relationship between member and constituent is in New Zealand more intimate, and therefore more exacting on the member, than in most other democratic countries because of the smallness of the constituencies. The average number of inhabitants per single member constituency is in New Zealand less than 20,000, compared with 70,000 in Great Britain, 65,000 in France, and 210,000 in the United States. There is, moreover, a strong prejudice in New Zealand, particularly in the country electorates, against the non-resident member. The candidate who has a home and a business in his electorate, and who has served on its local bodies and entered into its community life, is well on the way to success at the polls. The evils which arise, particularly in public finance, from the subservience of members to constituents have been sufficiently emphasised. But there is something to be said on the other side. The obligation on the member to speak for his constituents is a very real safeguard of democratic government. It means that every citizen has, in the last
resort, an advocate to speak for him in the highest court of the land; it prevents governments losing touch with the governed; and it is a valuable counter-weight to the member’s obligations to his party.

But the most important practical qualification of the proposition that a member of Parliament is under no other mandate than to serve the general interest is provided by the party system. Representative and responsible government is party government; since it is the party system which enables the electors to decide, not merely who shall speak for them in Parliament, but who shall govern them. In most New Zealand Parliaments there are two or three men who have, or profess to have, no party affiliation; but in the great majority of constituencies elections are fought mainly and increasingly on party issues. The great majority of electors, that is, vote not for the candidate himself but for his party and do so on the assumption that he is not free, if elected, to change or abandon his party allegiance and that, during sessions, he will vote not according to the dictates of conscience or reason, but according to the instructions of the party whips. That being so, it is unreasonable and unrealistic to deride the politician as a ‘party hack’. The alternative to the party system is either ‘an impotent babble of virtuous voices’ or a dictatorship. Clearly, then, a representative assembly is no place for philosophers, experts
in this or that branch of government, or original thinkers.

Since the member of Parliament is bound closely to his party and to his constituency, and since Parliament in reality performs few of the functions attributed to it by constitutional theorists, it is tempting to conclude that the quality of government would not be vastly different, and might even be improved, if Parliament did not meet at all. A New Zealand Prime Minister has recorded the opinion that the business community is happier when Parliament is not sitting. Judges of the New Zealand Supreme Court have commented sharply on the frequent failure of the New Zealand Parliament to express its legislative intentions in appropriate and unequivocal language; and it is generally true that statutory rules and orders are superior in point of clarity to parliamentary enactments. Nor can it be denied that, in New Zealand, as in other countries, the importance of Parliament has somewhat declined with improvements in means of communication and of disseminating information. The theory that members of Parliament are brokers of ideas, and that their true function is to ‘interpret the government to the people and the people to the government’ is becoming less and less applicable in New Zealand. Particularly since the development of broadcasting, members of the Government have begun to see the advantages of interpreting themselves to the people;
and the frequency with which ministers now resort to the microphone to explain and justify their policy must further diminish the importance of the private member. Moreover, governments do not now regard the speeches of members of Parliament as indexes to the state of public opinion. The voice of the people comes to them more reliably through trade unions, chambers of commerce, farmers’ organisations, and party organisers. Yet, when all this has been conceded, it remains true that Parliament is the difference between dictatorship and democracy and is in fact the guardian of those liberties and immunities which are the core of the British political tradition. For, in the first place, it is only in Parliament that freedom of speech literally means freedom of speech. At a time when official and unofficial censorship are everywhere blanketing freedom of discussion on all really vital issues, this fact is becoming of cardinal importance. And, in the second place, there is all the difference in the world between criticism at close quarters and criticism from a distance. Ten minutes over the microphone or on a public platform is sufficient for the average competent politician to dispose effectively of a whole legion of leader writers. But the rhetorical flourish, the evasive irony, the appeal to emotion, so effective when the audience is large and at a distance, are feeble weapons inside Parliament. The politician does at least know politics and is not to be put off with his own tricks. It does
not take him long to discover what it is that a minister is trying to hide and what subjects of discussion he is trying to baulk. The absence of rhetoric and elevation of tone in parliamentary debates is indeed their chief virtue. The casual visitor to Parliament may feel that the intricate warfare which goes on there between the parties is unreal and valueless. Ministers of the Crown, compelled daily to run the gauntlet of sceptical and relentless criticism, know better.
THE CONSTITUTIONS of the Dominions differ from the British constitution in giving more definite recognition to the executive branch of government. The executive power in New Zealand is formally vested in the Governor-General as representative of the King. In the exercise of this power the Governor-General is required to act on the advice of an Executive Council, but he may, if he sees cause, dissent from this advice, in which case he must report the matter to the Sovereign without delay. The extent and the nature of this potentially-important reserve power is a subject on which legal opinion is much at variance. In New Zealand, however, it has not been used in such a manner as to cause a political crisis since 1892, when Lord Glasgow refused a request to appoint additional members to the Legislative Council. The Executive Council consists of the ministers of the Crown who by constitutional convention are appointed by the Governor-General on the advice of the leader of the party which has a
majority in the House of Representatives. The payment of the Prime Minister and of eleven other ministers is authorised by the Civil List Act of 1920 and its amendments. The present rate of payment is £2,000 a year to the Prime Minister and £1,300 a year to each of the other ministers, these amounts being at present subject to a reduction of ten per cent. The Civil List Amendment Act of 1936 provides for the appointment of Parliamentary Under-Secretaries at a salary of £600. One appointment has been made under this provision, the appointee being described officially as 'Parliamentary Under-Secretary in Relation to the Minister of Finance'. At first, he was in effect the political head of a sub-department concerned with housing, though he was not a member of the ministry or of the Cabinet. His status and functions were never very clearly defined. At present, there is no disposition to make further use of the power to appoint Under-Secretaries.

In Great Britain, the political executive appears in three different forms. First, there is the Ministry, which consists of all the political heads of departments; second, there is the Cabinet, which consists of the more important ministers and meets infrequently; and, third, there is the 'inner Cabinet', a still smaller group of five or six members which meets frequently and is the effective authority in the more important issues of national policy. In New Zealand, no 'inner Cabinet' has developed and the
Cabinet, the Ministry, and the Executive Council have normally the same membership; so that the Cabinet might be regarded as the Executive Council in informal dress. As in Great Britain, the Prime Minister is, by a custom which has hardened into a constitutional convention, more than *primus inter pares*. His resignation involves the resignation of the whole Ministry; he can call on individual ministers to resign; and in the selection of ministers he has in theory a free hand. In 1918, certain members of the Reform party sought to secure the assent of the Prime Minister, W. F. Massey, to a proposal that ministers should be selected by the party caucus. During a debate in the House of Representatives, Mr Massey affirmed that his right of free selection was constitutionally established and could not be abandoned. In practice, of course, this right is tempered by the need to placate groups within a party and to reward long service to the party. Though the consideration of fitness for office is not ignored, neither is it the primary consideration. It can also be assumed that the collective responsibility of Cabinet is a constitutional convention. In 1932 (this was the year in which the Liberal ministers in the British National Government had been conceded the right to differ from their colleagues on tariff policy without resigning), the Minister of Finance in the Coalition Government, Mr Downie Stewart, spoke against the Government’s action in compulsorily
reducing interest rates and yet agreed to remain in office. However, his position, like that of the Liberal ministers, soon became untenable; and the exception seems to have proved the rule.

Some idea of the type of men who reach Cabinet rank is given by the following tables showing the occupations, age groupings, and educational attainments of ministers in the ministries between 1856 and the present time. In order to relate changes of personnel to changes in political development these tables have been made to correspond with the four main periods in the country's political history. The same method was followed in the previous section in analysing the personnel of the New Zealand Parliaments.

AGE GROUPING OF CABINET MINISTERS 1856–73

<table>
<thead>
<tr>
<th>Age Grouping</th>
<th>Under 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 and over</th>
<th>No data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13</td>
</tr>
</tbody>
</table>

Average ages in Cabinets: 1856, 39.5; 1856, 38.6; 1856, 38.1; 1861, 44.0; 1862, 42.3; 1863, 46.4; 1864, 47.0; 1865, 47.3; 1869, 46.1; 1872, 55.5; 1872, 45.7; 1873, 48.5; 1873, 45.7.

EDUCATION OF CABINET MINISTERS 1856–73

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Primary</th>
<th>Secondary</th>
<th>University</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>6</td>
<td>56</td>
<td>35</td>
<td>5</td>
</tr>
</tbody>
</table>
OCCUPATIONS OF CABINET MINISTERS 1856-73

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
<td>29</td>
</tr>
<tr>
<td>Professional</td>
<td>33</td>
</tr>
<tr>
<td>Journalism</td>
<td>8</td>
</tr>
<tr>
<td>Commerce</td>
<td>14</td>
</tr>
<tr>
<td>Trade</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Farming</td>
<td>13</td>
</tr>
<tr>
<td>Trade Union Secretaries</td>
<td></td>
</tr>
<tr>
<td>Labourers</td>
<td></td>
</tr>
<tr>
<td>No data</td>
<td>3</td>
</tr>
</tbody>
</table>

Like the Parliaments of this period, the ministries are remarkable for their youth, their high educational standard, and the predominance of the professional element. The proportion of lawyers in the ministries is much higher than in Parliament.

The next tables show the personnel of ministries in the period between the abolition of the provinces and the rise of the Liberal-Labour party.

AGE GROUPING OF CABINET MINISTERS 1875-91

<table>
<thead>
<tr>
<th>Age Group</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td>12</td>
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<tr>
<td>40-49</td>
<td>47</td>
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<tr>
<td>50-59</td>
<td>26</td>
</tr>
<tr>
<td>60 and over</td>
<td>13</td>
</tr>
<tr>
<td>No data</td>
<td>9</td>
</tr>
</tbody>
</table>

Average ages in Cabinets: 1875, 46.9; 1876, 45.9; 1876, 49.3; 1876, 48.0; 1877, 45.3; 1879, 50.9; 1882, 54.1; 1883, 50.9; 1884, 52.7; 1884, 47.0; 1887, 47.5; 1891, 43.1.
OCCUPATIONS OF CABINET MINISTERS 1875-91

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1875-91</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law</td>
<td>21</td>
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<tr>
<td>Professional</td>
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<tr>
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<tr>
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<tr>
<td>Manufacturing</td>
<td>2</td>
</tr>
<tr>
<td>Farming</td>
<td>20</td>
</tr>
<tr>
<td>Trade Union Secretaries</td>
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</tr>
<tr>
<td>Labourers</td>
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EDUCATION OF CABINET MINISTERS 1875-91

<table>
<thead>
<tr>
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<tbody>
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<td>University</td>
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</tbody>
</table>

In this period the average of ages is rising and the educational standard falling slightly. The representation of farming interests has increased and there is a slight reduction in the professional element.

The next tables show the personnel of ministries in the period during which the Liberal-Labour party held a majority in the House of Representatives:

AGE GROUPING OF CABINET MINISTERS 1893-1906

<table>
<thead>
<tr>
<th>Age Grouping</th>
<th>1893-1906</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>—</td>
</tr>
<tr>
<td>30-39</td>
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<td>50-59</td>
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<td>60 and over</td>
<td>8</td>
</tr>
<tr>
<td>No data</td>
<td>3</td>
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</tbody>
</table>

Average ages in Cabinets: 1893, 49.4; 1906, 60.0; 1906, 53.0.

EDUCATION OF CABINET MINISTERS 1893-1906

<table>
<thead>
<tr>
<th>Education</th>
<th>1893-1906</th>
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<tbody>
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<td>University</td>
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OCCUPATIONS OF CABINET MINISTERS 1893–1906

<table>
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<tr>
<td>Professional</td>
<td>4</td>
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<td>Journalism</td>
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<tr>
<td>Commerce</td>
<td>5</td>
</tr>
<tr>
<td>Trade</td>
<td>1</td>
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<tr>
<td>Manufacturing</td>
<td>5</td>
</tr>
<tr>
<td>Farming</td>
<td>7</td>
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<tr>
<td>Trade Union Secretaries</td>
<td>1</td>
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<tr>
<td>Labourers</td>
<td>7</td>
</tr>
<tr>
<td>No data</td>
<td>1</td>
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</tbody>
</table>

The most noticeable feature of this period is the marked decline in educational standards. More than half the ministers have had only elementary education. In the occupational groupings the professional element shows a marked decline by comparison with the previous period and there is on the whole a more even representation of economic interests. The increase in the average of ages continues.

The next tables show the personnel of the ministries in the period of conservative government which followed the defeat of the Liberal-Labour party in 1911:

AGE GROUPING OF CABINET MINISTERS 1912–31

<table>
<thead>
<tr>
<th>Age Grouping</th>
<th>Number</th>
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<tbody>
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<td>Under 30</td>
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<tr>
<td>30–39</td>
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<td>50–59</td>
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</tr>
<tr>
<td>60 and over</td>
<td>43</td>
</tr>
<tr>
<td>No data</td>
<td>12</td>
</tr>
</tbody>
</table>

Average ages of Cabinets: 1912, 54.6; 1912, 54.0; 1915, 57.8; 1919, 57.6; 1925, 57.6; 1925, 59.6; 1928, 59.6; 1930, 58.4; 1931, 57.5; 1931, 57.1.
The Executive

EDUCATION OF CABINET MINISTERS 1912-31

<table>
<thead>
<tr>
<th>Primary</th>
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<th>University</th>
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OCCUPATIONS OF CABINET MINISTERS 1912-31

<table>
<thead>
<tr>
<th>Occupation</th>
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<tr>
<td>Manufacturing</td>
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<tr>
<td>Farming</td>
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<tr>
<td>Trade Union Secretaries</td>
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</tr>
</tbody>
</table>

The educational standards of ministries is slightly higher than in the previous period and slightly higher than for Parliament itself. Farmers now constitute by far the largest occupational group, though lawyers are still well represented. Ages are still very much the same as in the previous period.

Of the members of the first Labour Ministry constituted at the end of 1935 seven were trade union secretaries, two were engaged in trade, one was a merchant, one a lawyer, one a farmer, and one a journalist. Of these thirteen ministers, one was a university graduate and ten had not continued their formal education beyond the elementary stage. The average of ages was 54.9, six members being in the 50-59 age group, four in the 60 and over age group, and three giving no information about their ages. It will be noted that the marked rise in the
educational standard of Parliament produced by the general election of 1935 is not reflected in the ministry.

The functions of the political executive in the modern democratic State are remarkably varied. In one aspect, the Cabinet is a committee of the party with a majority in the popular assembly charged with the task of translating the party’s declared aims into an immediately practicable policy. In another aspect, it is a committee of political heads of state departments charged with the task of harmonising and co-ordinating the activities of departments. But these two tasks by no means comprehend the whole work of the cabinet minister. Besides attending to such business as is referred to him by the permanent head of his department, he must during sessions spend a large part of every day in the House of Representatives piloting through such legislation as his department requires, answering questions about the work of his department, and assisting his colleagues in general debates on government policy. If there is a by-election, one or more ministers will probably take part in the government candidate’s campaign; and in a general election most ministers will tour the country. Finally, the minister cannot afford to forget that he himself has a constituency which must be watched and nursed.

The world-wide tendency for the powers of the executive to increase at the expense of the legislature
and the judiciary has been particularly marked in New Zealand, mainly because the content of politics in New Zealand is almost exclusively economic. As a source of legislation, the Cabinet is now almost as important as Parliament. A few years ago, the iniquity of legislation by order in council was vigorously proclaimed by chambers of commerce, lawyers, and newspapers; but the report of the British Committee on Ministers’ Powers, which received much publicity in New Zealand, and the patent impossibility of arresting the flow of delegated legislation have created a more realistic public attitude. In accordance with the provisions of the Regulations Act of 1936, delegated legislation, instead of being scattered inaccessibly through the gazettes, is now issued in a form in which it is easily bound and classified. The most notable example of the exercise of judicial powers by a minister occurs in the administration of the transport licensing system, the minister being the final authority, to the exclusion of the Courts, in any appeal against the decision of a licensing authority.

It might be expected that, notwithstanding the variety of a cabinet minister’s work, it would be possible for a dozen men to govern New Zealand, which has fewer inhabitants than Liverpool, is not troubled by racial minorities, and has no pressing problems of foreign policy, without shortening their lives by overwork and lack of sleep and without
creating around themselves an atmosphere of flurry and crisis. But it is not so. The machinery of government in New Zealand works with as much jamming and overheating as the machinery of government in a great empire. The main reason why the smallness of the country and the relative simplicity of the problems of government do not make administrative processes smooth and orderly is that the New Zealand cabinet minister is in a much closer relationship with the electorate on the one hand and his own department on the other than the cabinet minister in Great Britain or France. New Zealanders expect their cabinet ministers to be accessible and to move about the country. The minister who stays in Wellington and goes about his work behind a bodyguard of secretaries is on the way to unpopularity. Since the days of Seddon, the ministerial tour has been an established political institution. Accompanied by a retinue of secretaries, departmental officials, and journalists, the minister moves from hamlet to hamlet in the favoured district, receiving deputations, making discreet promises, meeting local body members, and opening a school here, a bridge there, and a post office somewhere else. In the meantime, his desk in Wellington is being silted over with memoranda and correspondence. This would not matter much if ministers were content to have referred to them by the heads of their departments only such issues as come within the sphere of policy. On the whole,
EDWARD VII AND R. J. SEDDON
however, ministers delegate power reluctantly and involve themselves deeply in matters which in larger countries would be left to permanent officials. In the decade or so before 1935, the work of the Cabinet was to some extent lightened by the creation of statutory authorities or boards responsible directly to Parliament to administer the railways, broadcasting, and transport licensing. The present Government has brought these services back under direct ministerial control.

Congestion of state business at the centre has in recent years been accentuated by the uneven distribution of responsibility among ministers. Since the state of the national finances in a large measure determines the activities and the policies of all other departments, the finance ministry tends to assume a special importance. During the economic depression, when the problems of public finance were specially urgent, this tendency was accentuated and the minister took responsibility, sometimes formally and sometimes informally, for portfolios allied to that of finance. This concentration of functions has been continued and indeed intensified under a Labour Government. The Minister of Finance is, as such, responsible for directing the policy of the Reserve Bank and the State Advances Corporation; as Minister of Marketing he is responsible for the guaranteed prices scheme for dairy produce, the organised marketing of dairy produce and meat in
Great Britain, and the internal marketing of a wide range of products; and as Minister of Customs he is responsible for the carrying out of tariff policy and is therefore intimately concerned with the problems of secondary industry. While there is much to be said for such a grouping of functions, it has one grave disadvantage. New Zealand's economic relations with Great Britain are so close and so much regulated by the State that the Finance Minister must expect to visit London at least once every three years; and, as the responsibilities of the Cabinet are now distributed, his departure may dislocate the business of government for three or four months.

New Zealand's most urgent political need is a more efficient organisation of the executive branch of government. The tendency for power to become centralised within the Cabinet is probably a symptom of the Cabinet's failure to carry out its functions as the co-ordinating authority for the state departments and the other agencies of government; cognate portfolios come under the one minister because only in this way is co-ordination possible. It is impossible, in the modern State, to keep government business in categories, each the exclusive domain of one state department; particularly in the economic field, half-a-dozen departments may be involved in one relatively simple act of government. The commission which enquired into the public service in 1912, and made the only official investigation of New Zealand's
machinery of government with any pretence to thoroughness, advocated the creation of a Public Service Board which, under the general direction of the Cabinet, would organise the business of government. In effect, such a board would have been to the public service as a whole what the general staff is to an army. However, the Government of the day preferred to hand over the task of controlling the public service and co-ordinating the work of departments to a Public Service Commissioner responsible directly to Parliament. What it failed to see, and what the 1912 commission saw very clearly, was that policy and the means to carry it out are so intimately related that really effective co-ordination of the work of departments is possible only if the co-ordinating authority functions under the direct control of the policy-making authority.
THE ATTITUDE of the British peoples to the permanent officials of the State is compounded of striking contradictions. The strength of their democratic institutions is in a large measure due to their success in creating civil services which have made state actions democratic in quality as well as in intention and have supplied the continuity of administration without which the party system of government leads to chaos. Yet the anti-authoritarian bias in their political thinking makes them peculiarly susceptible to catch-cries about bureaucratic interference; they are incapable of using such terms as 'paid official' or 'government inspector' without imparting to them a faintly pejorative flavour; they seldom think seriously about the problems of civil service organisation unless spurred to do so by the belief that officialdom has become an excessive burden on the state revenues; and they are outraged if an official publicly expresses his opinions or demonstrates his powers. The result is that, in British
countries, the vast and intricate mechanism whereby the will of the State is made effective upon individual citizens is little understood and is seldom the subject of analytic thought. It is only in recent years that writers on British constitutional and political problems have begun to pay adequate attention to the civil service. Lord Bryce's great work *Modern Democracies* is brief and superficial in its references to civil services; André Siegfried's *Democracy in New Zealand* has nothing at all to say about the history or organisation of the New Zealand public service. It could be said without much distortion that the remarkable efficiency and integrity of civil services in British countries are due, not to general appreciation of the importance of permanent officials in the processes of government, but to a deeply-rooted mistrust of officials which compels them to set for themselves high standards of efficiency and to exercise their powers with a cautious regard for popular liberties.

The first English settlers in New Zealand brought with them this attitude to state functionaries; and it has remained a powerful influence on political development. But the first attempts to systematise the the New Zealand civil service were influenced not merely by this background of ideas but also by contemporary English practice. The establishment of representative government in New Zealand coincided with the first great reform of the English civil
service. In 1854 the first colonial Parliament met in Auckland; in the same year Macaulay wrote the report which was responsible for the establishment of the competitive examination as a method of selecting Indian civil servants; and in the previous year Sir Charles Trevelyan and Sir Stafford Northcote recommended the use of the same device—which Graham Wallas has called the most important political invention of the nineteenth century—to the home civil service. In the next two decades the British Parliament proceeded reluctantly and piecemeal to create a civil service based on the principles of open competition and classification of duties. Since New Zealand was at this time also engaged upon the problem of organising its public service, it was natural that English precedents should be fairly closely followed.

But although the ideas which moulded civil service development in England and New Zealand in the second half of the nineteenth century were approximately the same, the terms of the problem were fundamentally different. In the first place, resistance to the extension of state activity was much feebleler in New Zealand than in England, where for many centuries most of the functions of government had been discharged by the organs of society and not of the State. The parishes, the municipal corporations, and the county magistracy were capable, after a fashion, of caring for the poor, maintaining roads, and administering justice. The paid permanent
official had to justify himself against the sentimental attachment of a majority of Englishmen to these ancient institutions of self-government. In a young country, without a leisured class and so sparsely populated that local community spirit was slow to develop, the State had to govern through its own agents. In the second place, it is important to remember that in England the need for an efficient corps of permanent officials was understood only by an insignificant minority; the political force which made civil service reform possible was the popular agitation against privilege in all its forms—the same force which had swept away the rotten boroughs and compelled the reform of the municipal corporations. The monopoly of official posts by a privileged class was repugnant to the new democracy. In New Zealand, privilege had not established itself; and in any case official positions, even the highest, were so poorly paid as to be unattractive to men of social eminence. Nor could a poor colony afford the luxury of maintaining sinecures. The difficulty was not to shut out placemen but to attract men of ability and integrity to a service which seemed to offer few rewards.

A convenient starting-point for an historical account of the growth of the New Zealand civil service is provided by the report of a Royal Commission appointed in 1866 'to enquire generally into the
clerical strength and efficiency of the several departments of the Public Service, and especially as to the numbers, age of admission, rules of advancement and promotion, and remuneration of the several Clerks and higher Officers of the said departments.’ This inquiry, like all civil service inquiries in New Zealand, was undertaken because of a financial stringency. Years of intermittent warfare against the Maoris in the North Island had made severe demands on the Colonial Treasury.

The state of the New Zealand civil service when the commission began its investigations was chaotic. ‘There are actually in the Colony,’ it reported, ‘ten Civil Services (one Colonial and nine Provincial), each entirely independent of the other in those executive functions which the law imposes on it. Nor are those functions of the nine Provincial Executives of that minor kind the exercise of which requires only a small and unimportant staff in each Province, for they include the conduct of Immigration, the construction of Public Works, and the preservation of life and property in settled districts. In none of these services has, so far as we are aware, any systematic organisation been established. Moreover, while the general relation of a Provincial Executive to the Executive of the Colony is one of independence, Provincial Governments have, under delegated authority or by mutual arrangement, acted as the representative of the General Government in
important branches of administration (including survey, sale, and management of land). It has been often necessary, both for the sake of economy and efficiency, that an officer of the General Government should also be a Provincial officer.'

Transport difficulties, and the consequent isolation of the various settlements, were another source of confusion. Supervision of local officers of the general government was fitful and ineffective; and they exercised a wide discretion in their methods of accounting for money received and administering the law. Moreover, the dangerous practice had grown up of allowing local officers to draw the whole or part of their salaries from money passing through their hands.

No attempt had yet been made to classify the service or its functions, to establish a system of recruitment, or to regularise promotions. The result, according to the commission, was a lack of 'that twofold spirit of independence and emulation which arises from a reasonable security of tenure and probability of preferment.' Another cause of the 'defective vitality' of the service was 'a disproportionate excess of underpaid officers.' Although 1,602 officials were employed by the general government, the total amount they received in salaries and fees was only £193,404. Chief clerks received an average salary of £281 8s. and other clerks an average salary of £175 17s. The commission recommended a
reorganisation of the service on the following principles: classification; promotion from class to class; salaries with minimum and maximum limits, and with annual increments for each class; rules of discipline; and the payment of retirement allowances.

The Civil Service Act of 1866 embodied the commission's recommendations. It divided the service into five classes, the first consisting of the higher executive officers and the judiciary, to the number of sixteen. The salaries of the first class were to be the subject of individual appropriations by the House of Representatives every year; for the remaining classes the House was to fix merely the maximum and minimum salary limits. Officers in the first class were to constitute a Civil Service Board, with advisory powers only, to which civil servants might appeal on matters of salary and classification. The age of entry into the service was fixed at between seventeen and twenty-two years and candidates were required to 'pass before a Board of Examiners appointed by the Governor such examination but without competition as the Governor may determine.' It was provided that when a vacancy occurred, except in the first class, 'the Governor shall wherever he can do so without detriment to the efficiency of the public service promote to such vacancy that officer being qualified to fill that vacancy who shall stand next in rotation on the classified list of the service.' But an important section empowered the Governor in
Council to waive this provision when it became expedient to secure the services of ‘some person of known ability’ and when there was no one else in the service ‘fully competent to perform the duties of the vacant office.’ Finally, the act provided for a general system of superannuation allowances.

Viewed in relation to contemporary practice in other British countries, the Civil Service Act of 1866 is remarkable for its rejection of the device of competitive examinations to regulate entry into the service and for the seemingly excessive weight given to seniority in the machinery of promotion. The rejection of competitive examinations was probably due partly to the country’s inadequate education facilities and partly to the unwillingness of ministers and members of the General Assembly wholly to forego the right of patronage. The provision for promotion in order of rotation from the classified list was a reaction against the extreme fluidity and capriciousness which characterised existing methods. For the civil service as a whole (and all the members of the Civil Service Commission were civil servants), stability, order, and established rules of procedure appeared to be the supreme needs of the moment. But it is important to bear in mind that, while the act enthroned the seniority principle, it also provided the means of evading it. It is scarcely an exaggeration to say that the whole history of the public service lies in the conflict between these two provisions—
between the desire of the public service itself for an established system of promotion from within and the inevitable tendency of Parliament and the Cabinet to exercise a free prerogative in making appointments. The conflict is sometimes represented as a struggle by the public service to rid itself of what is called 'political influence', and no doubt the desire of politicians to distribute favours was, more than any other single cause, responsible for keeping open the 'back door' to the service. But that is not the whole story. Wherever the work of the State expands rapidly, and wherever the State enters upon a new field of enterprise, some strain must be imposed on the existing system of making appointments to official positions. That system may prevent the service from expanding numerically at the rate desired, or it may prevent the State from obtaining public servants with the required abilities.

In the next twenty years the fortunes of the public service fluctuated with economic conditions. During the boom of the seventies its numerical strength increased rapidly and salary increments were given generously. When the inevitable recession set in public servants were the first to suffer. In 1880 a Royal Commission which included no one with experience of public administration and was thoroughly reactionary in outlook presented a report on the condition of the service which was made the excuse for extensive dismissals and salary
reductions. The clauses in the Civil Service Act of 1866 providing for education tests and classification were half-heartedly and fitfully applied. Though examinations were held and cadets appointed as a result of them, the great majority of entrants were political nominees and political influence predominated in promotions. The system of promoting officers in rotation from a classified list, contemplated in the act, did not come into force because little progress was made with classification except in the Railways Department and the Post Office. Because of the scope of their activities and because they had to employ large numbers of technicians, craftsmen, and accountants these two departments early established themselves in a special position; and in the twenty years after 1866 both had instituted rudimentary systems of classification. In 1886 the Government of the day made another effort to systematise the public service and eliminate patronage. Competitive examination was established as the sole method of entry into the service and the appointment of outsiders to higher positions was made difficult, though not impossible. Parliament's self-denying ordinance had a brief life. In the following year amending legislation gave the Government power to appoint persons for any temporary service. The 'back door' was once more wide open; and through it, in the period of prosperity and expanding state activity which followed, poured a stream of
political appointees which soon swamped what was left of the system of entry by merit and promotion from within.

The period of expanding state activity and unregulated growth in the public service ended with the first decade of the twentieth century. Public service reform was one of the main planks in the platform of the opponents of the Liberal Government; and it is an indication of the state of public opinion that one of the first acts of the short-lived Mackenzie Ministry was to set up a commission to report upon the condition of the public service and to recommend means for the promotion of efficiency and economy. Like the commission of 1880, the commission of 1912 consisted entirely of business men and tended to regard state activity as a necessary evil, to be kept within the closest possible limits. Unlike the commission of 1880, it went about its work painstakingly and thoroughly, probing minutely into the organisation of departments and, in its conclusions and recommendations, showing at times real insight into the problems of public administration and a high order of constructive thought.

The core of the 1912 commission's recommendations was its proposal that the public service should be brought under the control of a board of management responsible to the Cabinet and functioning under the general direction of the Cabinet. This board was to be responsible, not merely for classifying the service
and dealing with the problems of promotion, recruitment, and salaries, but also for the general organisation of departments and the co-ordination of their work. Cabinet was to make general policy decisions; the task of translating policy into terms of administration was to be left to the board. By the time the commission reported, the Mackenzie Ministry had been replaced by the more conservative Massey Ministry which, while it was grateful to the commission for its labours, felt under no particular obligation to accept all of its recommendations. With the commission’s advocacy of a definite system of classification, of more rigid adherence to the principle of promotion from within, and of the elimination of ‘back door’ entry into the service it was fully in accord; and all these reforms found their place in the Public Service Act of 1912. But the proposal for a board of management working under direction of the Cabinet failed to meet the clamour of the general public and of the service itself for complete elimination of ‘political influence’. The Government therefore sought from Australian authorities information on the working of the system of public service control by commissioners responsible to the legislature and satisfied itself that this system was best adapted to New Zealand requirements. Accordingly, the act of 1912 provided for the control of the service by a commissioner appointed for a term of seven years and removable only with
the consent of the House of Representatives. The act also divided the service into four divisions—administrative, professional, clerical, and general. As in the act of 1866, it was provided that the salaries of officers in the administrative division (who were in effect the heads of departments) were to be voted annually by Parliament; for the rest of the service there were fixed salary scales.

The outstanding virtue of the New Zealand public service of to-day is its high average of competence, integrity, and contentment. This must be attributed largely to the reforms introduced by the Public Service Act of 1912 and particularly to the establishment of the system of commissioner control, which the service as a whole strongly supports. Every cadet who enters the service does so in the knowledge that there are no barriers to his advancement to the highest positions, that his capacities will be impartially assessed, that his right of appeal against decisions affecting his status and salary is carefully safeguarded, and that he will be adequately pensioned on his retirement. If equality of opportunity is the essence of democracy, then New Zealand has a democratic public service. These generalisations must, however, be qualified by an admission that the extension in state activity which has taken place in the last three or four years has begun to impose a severe strain on the existing system. During the economic depression of 1929–34, public expenditure was contracted to
such an extent that the flow of recruits into the service dried up almost completely. The rapid transition in the economic field from depression to boom and in the political field from conservatism to socialism which took place towards the end of 1935 increased state activity so rapidly that the public service, weakened by the policy of retrenchment, had to be reinforced by the admission of temporary employees. In 1930 there were, in the departments controlled by the Public Service Commissioner, 7,803 permanent employees and 2,047 temporary employees; in 1939 there were in these departments 10,659 permanent employees and 6,587 temporary employees. Already, the position of the latter, who as a class have no appeal rights, no pension rights, and are not very highly paid has become a difficult problem. The 'back door' into the service cannot, it would seem, be closed effectively as long as the extent of state activity fluctuates in response to a kind of politico-economic cycle.

The retrenchments of the depression period have also tended to break down the system of entry into the service by means of competitive examination and have left the whole question of recruitment in a state of some confusion. Up to the depression, intending entrants were required to sit the Junior Public Service examination, which was on a competitive basis. In the depression, the supply of recruits so greatly exceeded the demand that it was found possible to
demand a higher educational standard. Accordingly, in 1931 the Public Service Entrance examination, normally taken by pupils in the fourth or fifth forms of secondary schools, was abolished in favour of a group of examinations including university entrance and sections of various university degrees. At the present time, therefore, entry is governed not by the results of a competitive examination but by a system of classification according to educational requirements. Although the Public Service Entrance examination has been restored, it is only one among many examinations giving entry to the service.

The question of recruitment is intimately bound up with the question of training and promotion after entry. In Great Britain, heavy emphasis is laid on the value of general educational qualifications as a test of fitness for administrative responsibility. The higher officials in the British civil service are selected from an administrative division recruited mainly from university graduates by means of a competitive examination supplemented by interviews. Candidates for entry into this division are neither expected nor desired to have specialised in subjects immediately related to any particular branch of administration. From time to time the adoption of this system in New Zealand has been urged by representatives of the university and of secondary schools and by some newspapers, their argument being that the present
system of recruitment does not give adequate opportunities to New Zealand graduates and that there is in the New Zealand public service too much emphasis on the value of routine training. A reply to criticism of this sort which appeared in the 1938 report of the Public Service Commissioners well summarises the general attitude of the public service authorities (and, indeed, of the great majority of public servants) to the problems of recruitment and training. 'It appears to be assumed by some,' say the Commissioners, 'that a university training obtained before entry to the public service must be regarded as of more value than if acquired after appointment. Quite a large number of graduates are appointed to the service, but the Commissioners do not subscribe to the opinion that because they qualified before entry they are necessarily better equipped than those who graduated after entry to the service. While the Commissioners encourage officers in many ways to undertake university studies, there are comparatively few opportunities of admitting to the public service students who have secured what may be termed a “cultural” degree. There are wide and varied careers open to the specialist-degree holder, as medicine, engineering, law, commerce, and science; in fact, in some few of these we are short of recruits. The public service of New Zealand has developed mainly on the lines that it produces and trains its own administrators, but it does expect that its officers will equip themselves to better adorn
administrative positions by study prior to and subsequent to entering the service and that the study should be a continuous process." An indication of the extent to which members of the service have striven to equip themselves for administrative responsibility is given in the 1937 report of the Public Service Commissioners, where it is stated that an average of one member in every three of the clerical, professional, and administrative divisions holds a degree or has passed some professional examination. It is significant that only about 8 per cent of public servants thus qualified hold 'cultural' degrees.

This emphasis on technical and professional qualifications has produced a high level of efficiency in those activities of the State, and they are many, which call for a knowledge of accountancy, engineering, medicine, law, and the physical sciences. Whether there is equal efficiency in the organisation and direction of state activity and in the translation of policy into terms of administration is doubtful. It is perhaps significant that the New Zealand public service authorities are fond of laying down the principle that it is for ministers to make decisions and for public servants to carry them out. Such a view implies an unreal separation between policy and administration, between the functions of the minister and his high officials. Government policy, as finally expressed in administration, is the product of a complex process of discussion and investigation by ministers and officials working in
partnership. In the British civil service, the place of the civil servant in formulating policy and organising the means of carrying it out is formally recognised; what is more, it is recognised that this task calls for a special type of ability. The duties of the administrative division are defined as 'those concerned with the formation of policy, with the co-ordination and improvement of government machinery, and with the general administration and control of the departments of the public service.' Rightly or wrongly, the New Zealand public service authorities have regarded the British administrative division as undemocratic. With the approval of the service as a whole, they have set their faces against any attempt to pre-select leaders by the test of general educational qualifications. The only test in which they have faith is the test of actual performance.

This does not mean, however, that the New Zealand public service authorities are satisfied with existing methods of selecting the higher officials of the service. The increase in the extent and variety of state activities in recent years has produced in the New Zealand public service a healthy tendency to self-criticism and constructive thinking on the problems of public administration. Among the symptoms of this development are the formation of branches of the Institute of Public Administration in the main centres of population, the appointment of an official committee to enquire into opportunities for university
graduates in the service, the establishment of a chair of public administration at Victoria University College, and the frequency with which the wider problems of recruitment and promotion are discussed in the annual reports of the Public Service Commissioner. For several reasons, the problem of the higher officers has attracted particular attention. One is that, in restoring the salary 'cuts' imposed during the economic depression, the Government was relatively more generous to the lower grades than to the small administrative class. This has tended to make the salaries paid to high officials substantially lower than the salaries paid in industry and commerce for similarly responsible work. Moreover, many of the new state services instituted recently have been placed under the control of men recruited from industry and commerce; and in all cases it has been necessary to pay the market rate for their services. The result is that some of the heads of departments brought in from outside are being paid two and three times as much as heads of older-established departments who have risen from the ranks. The New Zealand public service is beginning to realise that the recent tendency of governments to go outside its own ranks in filling the higher official positions implies a criticism of its methods of recruitment, training, and promotion. The response to this criticism can be seen in the establishment within the Public Service Commissioner's office of a staff training branch, in the
institution of internal efficiency tests, and in the almost revolutionary decision to provide the abler young officers with opportunities to widen their administrative experience and to fit themselves for early promotion to positions of responsibility. 'When the foundations of the New Zealand public service were laid in 1912,' says the Public Service Commissioner in his 1939 report, 'its administrative functions, regarded comparatively with those of to-day, were elementary. Since that time the front has been widened and the functions multiplied. The whole conception of the public service has been rapidly altered in the last twenty-five years, and it needs no prophetic genius to anticipate even greater changes in the next twenty-five years. We have therefore to commence now to build anew if we are to meet the situation that is developing for the public service of the future.'
THE DEPARTMENTS OF STATE

In 'The Adventure of the Bruce-Partington Plans,' Sherlock Holmes briefly and for the only time held aside the veil which, to the great impoverishment of posterity, has hidden the activities of Mycroft, his eccentric but prodigious brother. 'Mycroft,' said Holmes, 'draws £450 a year, remains a subordinate, has no ambitions of any kind, will receive neither honour nor title, but remains the most indispensable man in the country. . . . The conclusions of every department are passed on to him, and he is the central exchange, the clearing-house, which makes out the balance. All other men are specialists, but his specialization is omniscience. We will suppose that a Minister needs information as to a point which involves the Navy, India, Canada, and the bimetallic question; he could get his separate advices from various departments upon each, but only Mycroft can focus them all, and say off-hand how each factor would affect the other.' That the mention of Mycroft could produce in Holmes a semblance of modesty is not surprising;
GOVERNMENT HOUSE, AUCKLAND, IN THE EARLY FORTIES
for neither before nor since has any State possessed so valuable a servant or so perfectly articulated the advisory functions of its departments.

That Mycroft should have remained unhonoured and unknown to the public is, however, understandable, because the problem of which he was the solution is normally outside the range of public knowledge about government. The modern State, like the modern motor car, has a deceptive simplicity for those who use it. A button touched, a lever moved, and the motor car is in motion; of what lies between his actions and their result the driver knows nothing and can know nothing. On those rare occasions when something goes wrong, he may lift the bonnet and gaze appalled and uncomprehending at the maze of wires, pipes, rods, and valves which make simplicity possible. Similarly, most citizens have only the dimmest comprehension of what lies between the will of their government and its enforcement upon the individual or of the intricate mechanisms they set in motion by posting a letter or turning a water tap. It could hardly be otherwise. Even in a small country like New Zealand, the network of departments and statutory authorities by means of which the State maintains order, supplies the primary material needs of its citizens, and regulates economic life can be understood in its details and its unity only by a few experts.*

*For a brief analysis of the departments of State and their work see Appendix.
In Great Britain and the Dominions the functions of the State are exercised through two main types of authorities—those which act in the name of the Crown and those which do not. A borough council possesses such powers and privileges, and such only, as are conferred upon it by acts of Parliament or regulations made under those acts. A state department—the Post Office or the Treasury—possesses, in addition to powers and privileges conferred upon it specifically by acts and regulations, the powers and privileges of the Crown. A citizen who is knocked down by a borough council’s motor lorry has the right to sue the council for damages; a citizen who is knocked down by a Post Office van has not the right to sue the Post Office directly because it is the Crown in one of its many disguises. The distinction is not mere antiquarianism; for it is the Crown, that ‘convenient working hypothesis’, which has enabled the British peoples to secure the advantages of democratic government without dangerously weakening the executive power. ‘The leaders of the English people,’ says Dicey, ‘in their contests with the Royal power never attempted, except in periods of revolutionary violence, to destroy or dissipate the authority of the Crown as head of the State.’ The Crown is, in effect, a reservoir of powers and privileges available to the central government and those who act directly under its instructions; it prevents the executive power from being completely hoppled
by the written law, and ensures that the public interest will always have precedence over private interests. It would clearly be unwise to confer the very wide powers of the Crown upon authorities which, though part of the machinery of the State, are not under the immediate control of the general government. Thus, the State Advances Department, controlled directly by a cabinet minister, was the Crown; changed into the State Advances Corporation and controlled directly by a board and only indirectly by a minister, it ceases to be the Crown.

Government by statutory authorities not identified with the Crown is resorted to when it is desired to remove a service or a group of services from the direct control of the central government in order either to give autonomy to a local community or to enable the management of a public utility to be insulated from the effects of the party system on the quality of administration. In New Zealand, the vogue of this type of authority depends on the prevailing political temper; governments of the left normally prefer to have state services and utilities under their direct control, governments of the right to delegate control to boards of managers. The reason for delegation is usually the need for economy, though sometimes, as in the case of broadcasting, it is the desire to prevent a state service becoming the instrument of a political party. The business community in New Zealand regards ‘non-political’ control as a sovereign
remedy for uneconomical and inefficient administra-
tion. What is too often forgotten is that every delega-
tion of power to statutory authorities creates a
problem of co-ordination. Thus, to remove the
railway system from the immediate control of the
central government is to make it more difficult to
harmonise railway policy with road transport policy.

It is convenient, for descriptive purposes, to deal
separately with that part of the government which
functions in the name of the Crown and which con-
sists, with certain exceptions and qualifications, of the
state departments. For these departments, having
both formal unity and uniformity, constitute one
system. Their formal unity arises from the fact that
each has at its head a minister of the Crown who is
also a member of the Cabinet. Their uniformity
arises from a measure of central control over staffing,
the keeping of accounts, and the purchase of stores. In
popular discussion, the charge most frequently made
against the state departments is that they lack
co-ordination and in fact are not a system. The word
co-ordination is used in two senses; in one, it implies
the elimination of unnecessary and expensive diversi-
ties of practice; in the other, the harmonious participa-
tion of several units in one process. It can be said with
confidence that co-ordination in this first sense among
state departments in New Zealand is remarkably
complete. The three agencies mainly responsible for
eliminating unnecessary diversity are the Treasury,
the Public Service Commissioner, and the Stores Control Board. The Treasury, being responsible for the national accounts as a whole, has a paramountcy among the departments sufficient to enable it to enforce uniformity in the keeping of accounts and in methods of receiving and paying money. In Great Britain, the Treasury’s financial control over the departments has developed into a general control over staffing. In New Zealand, staffing is controlled by the Public Service Commissioner, who has also a general supervisory power over the conduct of public servants and office methods. Uniformity of staffing arrangements, introduced as a means of shutting out political influence and of eliminating those discontents which arise from anomalies in payment and working conditions, has the further benefit of increasing the internal mobility of the public service. Transfer of officers between departments is very much more frequent than in the British civil service. The Public Service Commissioner’s powers do not, however, extend to all departments. The two largest departments—the Railways Department with nearly 22,000 employees, and the Post Office with about 11,600 employees—have their own systems of classification, partly because they evolved these systems before the public service as a whole was classified and partly because their functions require a different classification from that in force in the other departments. The Treasury regulations provide that ‘the function of
co-ordinating and supervising the purchase, distribution, use and inter-departmental transfer of stores shall be vested in the Stores Control Board', an inter-departmental committee consisting of the permanent heads of the Treasury, the Railways Department, the Public Works Department, and the Post and Telegraph Department. All purchases of stores must be made through one or other of the three last-named departments.

This triple co-ordination in the interests of economy and uniformity by the Treasury, the Public Service Commissioner, and the Stores Control Board is as efficient and as complete as anything of its sort in the British Commonwealth. Co-ordination to prevent duplication of work and to secure the harmonious participation of several departments in the one administrative process is less complete. The authority which, in theory, enforces this type of co-ordination is the Cabinet in its capacity as a committee of ministers in charge of departments. For reasons discussed in the section on the executive, the Cabinet does not in practice function as a co-ordinating authority except when some urgent problem of co-ordination is brought to its notice. Those who drew up the Public Service Act of 1912 intended that the Public Service Commissioner should be the authority for functional co-ordination, since the act instructs the commissioner to investigate the working of every department 'both separately and in its relation
to other departments' and empowers him to dismiss or transfer to another department public servants not usefully or profitably employed. But the disadvantages of the commissioner as an authority for this purpose are, first, that he does not control all the departments and, second, that he is responsible to Parliament and not to the executive. The relationship between policy and administrative methods is so close that control of administrative methods will not be effectual unless vested in an authority working under the general direction of the Cabinet. Though the Public Service Commissioner is consulted regularly by the Cabinet on administrative problems, it remains true that his power to enforce co-operation among departments has not been developed and consolidated as his other powers have.

The interesting experiment of the Executive Commission of Agriculture throws much light on this problem. In 1934 the New Zealand Government assumed an obligation to assist the dairy industry, which had been hard hit by the disorganisation of foreign markets owing to the economic depression and was in addition beset by serious defects of internal organisation. It was soon found that to devise a scheme of assistance was less difficult than to devise the means to apply it; for the affairs of the industry were of concern, not to one department, but to a group of departments and semi-official authorities, each more or less independent. Inspection of dairy herds was
carried out by the Department of Agriculture; external marketing was controlled by a Dairy Produce Board with statutory powers, elected by producers; operations of a similarly-constituted Meat Board affected the dairy industry to the extent that they involved regulation of shipments of calves and pork; the Department of Scientific and Industrial Research was interesting itself in the scientific problems of the industry; and the State Advances Corporation was concerned with its finances. In order to co-ordinate the work of these administrative agencies and to enable the problems of the farming industries generally to be continuously investigated, the Government set up, by the Agriculture (Emergency Powers) Act of 1934, an Executive Commission of Agriculture consisting of three members with a wide reserve of powers in relation both to the farming industries and to state departments and primary produce boards. The purpose behind the act was to create an authority to advise the Cabinet on agricultural problems and to co-ordinate the activities of the administrative agencies which were carrying out the Government's agricultural policy. That the purpose, owing mainly to a change of government, never became more than a purpose must be regretted, because the general problem which the Executive Commission of Agriculture was intended to solve is still a problem, and grows more acute with every extension of the economic activities of the State.
The Departments of State

It is fair to add that, since the State's powers over industry, finance, and commerce are limited, there can be no final and complete solution of the problem of co-ordination. There is perhaps no great difficulty in ensuring that state departments work together harmoniously. The real difficulty arises when the carrying out of a policy involves co-operation among state departments, which are directly under executive control, organs of the State which are only indirectly under executive control, and economic organisations of a more or less private nature. This point is well illustrated by the difficulties recently encountered in enforcing a policy of import and exchange control, a policy which required close co-operation among the Treasury, the Customs Department, the Reserve Bank, the trading banks, and organisations of manufacturers. Because co-operation was imperfect, a policy designed to reduce imports resulted, during the first six months of its operation, in an increase of imports.

The methods by which the work of administrative agencies is co-ordinated have some bearing on the problem of organising the work of the State by departments. The commissions which from time to time enquire into the machinery of government in New Zealand in order to find ways of economising invariably recommend reduction of the number of departments by amalgamation, the assumption being
that a few departments are more efficient and economical than many small departments. This is not necessarily true. When the 1912 Commission on the Public Service presented its able report, there were sixteen state departments; to-day there are more than forty. But it would be wrong to infer from this that in 1912 administration was more economically and efficiently organised than it is now; for, according to the commission’s report, each of the large departments had under it sub-departments which were virtually independent. Since then, most of these sub-departments have become independent; but the increase in the number of units has been accompanied by a development of the co-ordinating functions of the Treasury and the Public Service Commissioner, with the result that administration is in every way more unified and better co-ordinated now than it was in 1912. General efficiency of administration, it is clear, depends far more on the effectiveness of the central co-ordinating agencies than on the number and size of departments. Indeed, recent experience in New Zealand has shown that the large department sometimes becomes so strong and independent that it is an obstacle to co-ordination. Nevertheless, two considerations make it undesirable to create small departments unless there are the strongest reasons for doing so. One is that small departments can seldom give the younger officers sufficient variety of administrative experience. The other and more important considera-
tion is that the more departments there are the larger is the number of officials who have direct access to ministers. Since the Cabinet is heavily overloaded with work, the number of portfolios ought not to be increased unnecessarily.

It is unfortunate that in New Zealand public interest in the mechanics of government is active only when economies are, or appear to be, imperative. In times of prosperity and expanding state activity, the rapid and therefore imperfectly regulated growth in public service personnel and the number of state departments passes almost unnoticed. When the ensuing depression sets in, there is inevitably an outcry against ‘overlapping and waste’ in the departments; the government of the day will probably appoint a Royal Commission consisting of businessmen to discover how the administrative overhead in government can be reduced; and on the basis of its recommendations staffs and services will be reduced with panic ruthlessness. Nothing impairs the efficiency of government in New Zealand more than these alternating periods of unregulated growth and crude surgery.
THE SYSTEM whereby in British countries governments raise and spend money has its rationale in history rather than in contemporary needs. In England, the High Court of Parliament, a royal judicial and administrative body, became an instrument of the Crown for raising taxes; and the early history of representative government is largely the history of an effort by Parliament, successful over the long period, to control the executive through its financial powers. The assumption underlying British parliamentary procedure in respect of financial measures and the British system of public accounting is the assumption of an executive greedy for money and a Parliament determined to protect the community against excessive imposts. The British system of public finance, says Finer, is 'the residual deposit of all the constitutional currents which, in the course of centuries, have transformed a monarchy into a virtual republic.'

The most important underlying principles of this
system are (1) that only ministers of the Crown may initiate or increase expenditure; (2) that ministers must initiate their demands in committee of ‘the whole House’; and (3) that the purpose and the duration of parliamentary appropriations must be specified. The first principle throws the whole responsibility for initiating expenditure on the shoulders of the ministry, as the representative of the Crown; the second ensures that every member of the lower House (which by constitutional convention has the exclusive right to approve estimates of expenditure) shall have an opportunity to discuss the ministry’s financial proposals; the third prevents the ministry from spending money on objects other than those for which it was voted and, since by convention all money grants are on a yearly basis, compels it to summon Parliament at least once a year.

Finance by annual and specific appropriation necessarily dictates the form of the public accounts. It means that the accounts must reduce all transactions to a cash yearly basis, assets and liabilities being ignored until such time as they are realised and enter as cash transactions into a subsequent account. ‘It is the system of annuity strictly applied’, writes an authority. ‘Only actual incomings and outgoings of the exchequer within the financial year are considered in the national accounts, and the departmental accounts are similarly accounts solely of the cash transactions which actually take place within the year. If, for instance, there is
money still owing to a department for a repayment service, it cannot be shown in the appropriation account as an asset, for that account is a cash account simply. If, owing to the importance of the outstanding asset, Parliament ought to be informed of it, the fact must be recorded by means of a note. If the failure to realize the asset within the year results in a deficit, the fact would, of course, be brought to the notice of Parliament in the explanation of the deficit.

‘Such a system possesses the beneficial qualities of simplicity, directness, and rapidity in closing the accounts. It is true that balance-sheets are prepared, but these deal only with cash balances and are in no sense balance-sheets in the commercial sense. An Imperial balance-sheet, or even a departmental balance-sheet on such lines, would be a practical impossibility, for many of the assets or liabilities of the State could not be expressed financially in the manner in which the goodwill of a business concern is assessed.’ There is, however, an important qualification to the ‘annuality’ of the British system of public finance. It is recognised that some classes of expenditure—salaries of judges, the civil list, and interest payments on state loans, for instance—ought not to be liable to annual variation. They are, accordingly, provided for in the act governing the particular service and are known as ‘permanent appropriations’ in contradistinction to ‘annual appropriations’.

To complete this outline sketch of the British
system of public finance it is necessary to notice two important developments brought about by Parliament's desire to make its control over finance fully effective. The first is the creation of the consolidated fund. Until towards the end of the eighteenth century, each of the various sources of revenue was earmarked for a special purpose. This had two bad effects: it made the revenue available for a service dependent, not on the needs of the service, but on the yield of a particular tax and it prevented any effective control being exercised over public finance as a whole. In 1785 the commissioners of the public accounts recommended the establishment of 'one fund into which shall flow every stream of the public revenue and from whence shall issue the supply for every public service.' The other important development was the creation of the office of Comptroller and Auditor-General. Parliament is a deliberative and not an executive body; nor are its members experts in accountancy. It follows that Parliament cannot, of its own efforts, ensure that its financial appropriations are spent in exact accordance with the terms of the appropriations. This fact was recognised in Great Britain in 1866, in which year Parliament delegated to a permanent official the responsibility for ensuring, first, that there is legal authority for every issue out of the exchequer and, second, that such issues are spent solely for the purpose for which Parliament authorised them. This official, the Comptroller and
Auditor-General, is under the control of, and is responsible to, Parliament and not the ministry; like judges, he holds office during good behaviour and cannot be dismissed by an executive act.

The New Zealand system of public finance has been modelled on the English, but, as will be seen, has in recent years been more closely adapted to the realities of government than the English. In New Zealand, as in England, the financial year runs from 1 April to 31 March next. Early in the financial year, the Treasury instructs the various state departments to submit detailed estimates of their estimated revenue and expenditure for the year. These estimates are then subject to a process of sifting and discussion, first by the Minister of Finance and the high officials of the Treasury and then by the Cabinet. When agreement has been reached, these departmental estimates, together with estimates for the various permanent charges, are set out in a bulky printed volume in which, for purposes of comparison, there are included also the estimated and actual expenditures for the various items for the previous year, together with explanations of abnormal variations. The House of Representatives, upon receiving the estimates, resolves itself into a Committee of Supply (which is a committee of the whole House) and, over a period of weeks, approves them item by item. When this process is at an end, the estimates are included in an
LAYING THE FOUNDATION-STONE OF THE HOUSES OF ASSEMBLY, WELLINGTON
annual appropriation bill passed towards the end of the session.

Before the House of Representatives is called on to deal with the estimates, however, it is presented by the Minister of Finance with a financial statement (the Budget), in which the financial position of the country is placed in perspective, Government financial policy expounded, and methods of defraying expenditure indicated. In England, the Budget is presented in the first month of the financial year. In New Zealand, Parliament does not normally meet until June and the Budget is not often presented before August—five months after the beginning of the financial year.

Since the processes of government must go on while Parliament is dealing with the estimates and passing the annual Appropriation Act, it is necessary to make some interim provision for government expenses. This is done by means of Imprest Supply Acts. One of the first items of business after the formal opening of the parliamentary session is the communication to the House of Representatives of a message from the Governor-General recommending the provision of a sum for the payment of salaries, wages, and contingencies. This message is considered by the House in Committee of Supply. When the committee has passed a resolution authorising the expenditure of the amount specified (refusal to do so would be the equivalent of a vote of no-confidence in the Government), the House resolves itself into a Committee of
Ways and Means, which, like the Committee of Supply, is a committee of the whole House. The Committee of Ways and Means was originally, in the English parliamentary system, what its name implies—a committee to find ways and means of raising the amount voted by the Committee of Supply. In the New Zealand parliamentary system it merely goes through the formality of allocating among the various accounts the total amount voted by the Committee of Supply. When the Committee of Supply and the Committee of Ways and Means have completed their solemn ritual, a bill embodying their resolutions—the Imprest Supply Bill—is introduced in the House of Representatives. In New Zealand, it is usual to introduce an Imprest Supply Bill every two months until the Appropriation Act, which is the authority for the year’s expenditure, has been passed.

It has already been noted that the corollary to this system of parliamentary control of expenditure is a system of public accounts in which every item of expenditure is separately specified and in which all transactions are reduced to a cash basis. In New Zealand, as in England, this system of public accounting centres on the Consolidated Fund, which is (or rather, was originally intended to be) the reservoir into which all state revenue flows and out of which all the State’s financial needs are supplied. The device of the Consolidated Fund was, however, adopted at a time when the activities of the State were confined mainly
to the maintenance of internal order, defence, and the provision of such elementary services as sanitation and roads. Since expenditure on these services was not revenue-producing and was defrayed out of taxation, the pooling of state revenue and taxation clarified the public accounts and made possible an economical distribution of tax revenue. But in the case of the trading activities of the State, which in New Zealand are of great importance, pooling of revenue and expenditure makes for confusion rather than clarity, since in a trading undertaking revenue and expenditure are intimately related. Accordingly, gross receipts and payments of state trading undertakings do not normally enter into the Consolidated Fund in New Zealand, though some trading undertakings pay over their net surpluses. There are other exceptions, two of them of particular importance. New Zealand being still in the developmental stage, public works activity is on such a large scale that it has been considered advisable to maintain a Public Works Fund separate from the Consolidated Fund. Since 1931 the finance of unemployment relief has also been kept separate from the Consolidated Fund. In 1939, on the introduction of the social security scheme, which greatly extends the scope of state pensions and allowances and therefore impinges on the unemployment problem, the Employment Promotion Fund was abolished and its balances paid into the Social Security Fund, which is also separate from the Consolidated Fund.
The actual procedure for dealing with revenue is that all public moneys, except those received by the state trading undertakings and certain other departments are paid into the Public Account at the Reserve Bank of New Zealand and thence carried to one or other of the following funds or accounts in the books of the Treasury: the Consolidated Fund, the Public Works Fund, and separate accounts specially created. Until a few years ago, the operations of the Consolidated Fund afforded a means of comparing state revenue and expenditure from year to year but changes in system have now destroyed the comparability of the figures. As at present constituted, the Consolidated Fund might be regarded as a statement of the Government's general revenue and expenditure, eliminating capital items and the revenue and expenditure of trading undertakings.

In New Zealand, as in Great Britain, the task of ensuring that all acts of expenditure are legally authorised has been delegated by Parliament to a Controller and Auditor-General, an officer not subject to control by the political executive. As his title implies, he has two main functions: the first is to control all issues out of the Public Account at the Reserve Bank; the second is to audit the public accounts. Orders for payments out of the Public Account must be countersigned by the Controller and Auditor-General, who is required to satisfy himself that the necessary parliamentary authority exists for
the transfer and that the funds in the Public Account are sufficient to meet the order. In the auditing of public expenditure in New Zealand both the pre-audit and the post-audit systems are used. That is, in the case of certain payments, as for instance unauthorised expenditure, transfers between accounts, loan transactions, and salaries of new appointees, the Auditor-General must satisfy himself before the act of payment that it has been authorised. Other classes of payments are dealt with by the Auditor-General in his audit of the various departmental accounts and special funds.

This is a brief outline of the system whereby, in New Zealand, effect is given to the constitutional principle that Parliament controls public expenditure. It is important to realise, however, that this principle is valid only in constitutional law; translated to the political sphere, it becomes a fiction, a part of that elaborate mythology which constitutes so large a part of the British political tradition. Parliament legalises expenditure; it does not control expenditure in the sense of subjecting it to a critical and effective scrutiny in the interests of economy. Parliament is not, nor has it ever been, the guardian of the public purse. ‘There has not been a single instance in the last twenty-five years when the House of Commons, by its own direct action, has reduced, on financial grounds, any estimate submitted to it,’ says the British National Expenditure Committee of 1918. ‘The debates in
Committee of Supply are indispensable for the discussion of policy and administration. But so far as the direct effective control of proposals for expenditure is concerned it would be true to say that if the estimates were never presented, and the Committee of Supply never set up, there would be no noticeable difference. This is as true of the New Zealand Parliament as of the British. Nor is the reason far to seek. ‘Parliament,’ says Major Walter Elliot, ‘is inefficient in protecting the taxpayer because its begetters do not wish to protect the taxpayer, at least to protect the small organised minority which is conscious of itself under that name.’ The expenditure of the State is controlled by the political executive and the Treasury; in so far as there is any effective demand for economy it comes from chambers of commerce and other organisations representing the higher income groups in the community.

It is thus necessary to realise that the system of public accounting in British countries and that part of parliamentary procedure which applies to financial measures have been built around a political fiction. They are not on that account useless. Parliament’s exclusive right to vote expenditure is a guarantee that it will be called together at least once a year; and the lower House’s item-by-item consideration of the estimates means that, at one time or another in the debates in committee of supply, almost every conceivable public question will come up for discussion. The
ordinary public accounts on a cash basis are a perhaps indispensable method of ensuring that no act of public expenditure takes place without a prior legal authorisation.

Nevertheless, it has to be recognised that, as a means of setting out the financial position of the State for the benefit of Parliament and of the public the cash accounts are inadequate and misleading. They are, in the words of Sir Henry Higgs, 'a mere pass-book record of sums paid out and received during the financial year. Outstanding assets and liabilities are not revealed. Capital sums received are treated as revenue. Outlay for capital purposes is regarded as expenditure.'

As has been suggested, these cash accounts assume a financial system in which revenue is derived mainly from taxes and imposts and expenditure is mainly on public services, such as defence, police, and justice, which are not in any sense commercial undertakings. Adam Smith's verdict that 'no two characters seem more inconsistent than those of trader and sovereign' is enshrined in the British system of public accounting. In Great Britain, it is perhaps permissible to regard the trading activities of the State as unimportant. Five years ago, before rearmament had begun to distort public finance, only 14 per cent of public revenue (apart from loans) in Great Britain was derived from what writers on public finance call the 'public domain'. In New Zealand, at about the same time, the public domain accounted for 44 per cent of revenue. It is
therefore clear that any system of public accounting not designed to show assets and liabilities or to distinguish between capital outlay and expenditure is unsatisfactory as far as New Zealand is concerned. Accordingly, in 1920 the New Zealand Treasury inaugurated a system of departmental balance-sheets and statements of accounts on commercial lines; and this system has been gradually extended until at the present time it covers all state activities. More recently, these commercial accounts have been combined to give what is, in effect, a national balance-sheet. In this respect, the New Zealand system of public accounting is greatly in advance of any other system in the British Commonwealth. Both Canada and Eire have made some progress in supplementing the traditional cash accounts by commercial accounts, but neither is yet in a position to present a complete and reasonably accurate summary, on a commercial basis, of the finances of the State.

There has been some conflict between the two systems of accounting. Departmental accountants and the Treasury tend to regard the commercial accounts as the more important and, in their efforts to avoid duplication of work, eliminate from the cash accounts details which are more intelligible in the commercial accounts. Since the duty of the Controller and Auditor-General is to safeguard parliamentary control of expenditure, it is perhaps natural that he should disapprove of this tendency. His strictures, and the
replies of the Treasury, are of considerable interest to students of public finance and constitutional theory. Thus, in his report to Parliament on the Public Accounts for the financial year 1932-33 the Auditor-General notes 'a growing tendency to subordinate the Public Accounts, which are statements of “receipts and payments” prepared by the Treasury pursuant to statute for submission to Parliament, to the departmental balance-sheets and revenue accounts (the “commercial accounts”) prepared by the various Government departments. The statutory accounts prepared by the Treasury are on a cash basis, and are designed for the purpose of controlling the expenditure of public moneys, and are suitable for that purpose.' The Auditor-General thinks that 'to the extent to which the statutory accounts drawn up on a cash basis are subordinated to departmental accounts drawn up on a commercial basis, parliamentary control of expenditure must be rendered less effective.' The Treasury, in a statement to the Public Accounts Committee of the House of Representatives in December 1933 contends that 'Parliamentary control of expenditure does not require a mass of detail that can be better dealt with in the balance sheets and the revenue accounts to be duplicated in the abstract of the cash accounts, where a more intelligent picture of the financial position as a whole can be presented by summarising the expenditure.'

The growth of the commercial accounts at the
expense of the cash accounts is not the only factor which has weakened Parliament's legal powers over expenditure. In finance, as in other spheres of government, the authority of the executive is steadily increasing. In the report already quoted, the Auditor-General gives examples of this. 'The two essentials of an appropriation,' he says, 'are that it should designate the fund from which the expenditure is to be made and the purpose for which it is to be made.' In recent years, he points out, there has been a tendency for Parliament to depart from the practice of specific appropriation. Thus, section 6 of the Finance Act, 1932 (No. 2) empowers the Minister of Finance to make transfers between the accounts or funds within the Public Account in connection with dealings in land vested in the Crown. 'The effect is to enable the Minister . . . to appropriate the moneys of one statutory fund for the purposes of another statutory fund, and apparently the Minister, instead of Parliament, is constituted the sole judge as to the propriety of the transaction, and the Audit Office has no power to object if any transfer were made under this section even though it might be of opinion that the transaction is improper from an accountancy point of view.' Similarly the New Zealand Loans Act, 1932, provides that the charges and expenses of raising loans may 'without further appropriation than this section' be charged to and paid out of the Consolidated Fund or such other fund as the minister thinks fit. Section 65 of
the same act empowers the minister in certain cases to determine the particular fund or account to be relieved of the capital liability in respect of loans redeemed, thus transferring to the minister the power formerly vested in Parliament to determine to which particular account a loan relates. 'It would appear, therefore,' says the report, 'that Parliament has divested itself of the power to control expenditure in cases such as those above mentioned, and the Controller and Auditor-General has been divested of the responsibility placed on him as an officer of Parliament of satisfying himself that the limitations hitherto placed by Parliament on such transactions were being observed.'

Although by applying the principles of commercial accountancy to state activities New Zealand has moved further than most British countries towards a rational system of public accounting, the problem of ensuring a continuous, critical, and enlightened regulation of public spending remains unsolved. The system of specific appropriation and the activities of the Controller and Auditor-General are a most adequate safeguard against illegal or dishonest use of public funds by officials; the commercial accounts assist the detection of wasteful practices in the operations of state departments. But it is obvious that these safeguards against misappropriation, waste, and illegal expenditure by officials touch only the fringe of the problem of regulating public expenditure in the
national interest. For every pound of public money that the Treasury and the Auditor-General save by their minute scrutiny of departmental accounts and estimates, hundreds are lost through decisions over which permanent officials have no control and through the discontinuities of policy inherent in a system of government by parties. In 1929, for instance, the work of completing the South Island main trunk railway was put in hand at an estimated cost of £2,300,000. In 1931 a new government stopped the work on grounds of economy. In 1936, as the result of another change in government, work was begun again. The cost of reconditioning the works abandoned in 1931 was about £100,000, while the interest charges between 1931 and 1936 on the amount spent before the interruption probably amounted to another £200,000. Waste of this sort must be listed among the overhead costs of democratic government.

In New Zealand, and in all democratic countries, the only checks on state spending are public opinion and the instinct to economise inherent in Treasuries. But in New Zealand public opinion is not always an influence making for true economy; and the problems of public finance are so complex that this must always be so. The great majority of conscious taxpayers are content to judge state finance by false analogies with their own finances. The balancing or unbalancing of the Budget is still invested with a fictitious importance. If the Minister for Finance can produce a
surplus, it is solemnly agreed that the national finances are ‘healthy’, and the Government has a good press, and New Zealand stocks appreciate on the London market. Yet in certain circumstances the balancing of the Budget may be achieved at the cost of unemployment and economic dislocation. The wisdom or otherwise of public spending is to be judged, not by whether it is more or less than the sum which is somewhat arbitrarily set down in the Budget as public revenue, but by its effect on the credit situation, on money rates, on employment, on industrial output, and on the general economic life of the nation. This is particularly true in New Zealand, where the State enters so largely into competition with private enterprise. There is thus no escape from the conclusion that neither public opinion nor any system of external safeguards can ensure a wise disposition of public revenues. In its origins, democratic government is a system of checks against abuse of authority. But in the sphere of public finance, where the checks are particularly elaborate, it is becoming more and more apparent that it is the nature of authority itself, and not the restrictions upon it, which will determine the quality of government.
THE GREAT political reform movement which, during the nineteenth century, transformed the British Parliament from a stronghold of privilege to an instrument of democratic government, effected a similar transformation in the ancient institutions of local government. The Municipal Corporations Act of 1835, regarded by contemporary radicals as the logical complement of the Reform Act, transferred the government of towns from corrupt oligarchies to the elected representatives of the people and at the same time linked it organically with the central government. In 1888 the Counties Act took away the administrative functions of the county magistrates and handed them over to elected county councils. Then followed a series of consolidating reforms by which the various ad hoc authorities, of which the most important were the poor law guardians and the school boards, were abolished and their functions transferred to the municipalities and counties. These changes were accompanied by a great resurgence of interest in local
institutions, the vitality of which aroused the admiring interest of students of government throughout the world.

It is not surprising, therefore, to find in the Englishmen who emigrated to the colonies in the nineteenth century a profound belief in the genius of their race for local self-government and an equally profound mistrust of centralisation. But although in New Zealand and Australia popular feeling against centralisation is still strong, and although local governing authorities have been created in profusion, local government has not flourished except in the larger towns. In the rural areas, community spirit has never become strong enough to give local institutions sufficient vitality to resist the centripetal tendency inherent in the modern state.

The history of local government in New Zealand falls naturally into two periods, with the abolition of the provincial system of government in 1876 as the dividing line. Between 1853 and 1876 each province set up its own system of local government, and although at first there was wide variation in these systems, in the end they conformed roughly to one pattern. In the Canterbury province, for instance, local government began with an interesting attempt to transplant the direct democracy of the English parish to colonial soil. In 1859 the provincial council passed an ordinance empowering the inhabitants of any district to levy a rate for roading purposes and to
appoint an unpaid ‘waywarden’ whose duties were to collect the rate, keep accounts, and arrange for the construction of roads under the general supervision of the provincial engineer. The measure is of interest only as an indication of the tendency of the first settlers to look to their home country for political inspiration; this, it may be recalled, was the period when Toulmin Smith and Rudolph von Gneist were proclaiming the virtues of the ancient English system of ‘self-government’ and attacking the new tendency to centralise political power and place it in the hands of paid officials. In Canterbury, the task of creating a road system where none had previously existed was too great for unpaid and unqualified elective officials. Moreover, a farming community which was already objecting to the double burden of provincial and national taxation showed little disposition to rate itself voluntarily. For the time being, road work continued to be undertaken mainly by the provincial council. In 1864, however, the provincial engineer, in the course of a report to the Superintendent, stated: ‘It is proper to observe that, with the growing prosperity of the province, the work of the (Engineer’s) Department has far outgrown the machinery employed for its execution, and that the time has arrived when it is necessary . . . to introduce a system of local management which shall relieve the Government of a great deal of routine work which can better be done by provincial boards than
by an executive sitting in Christchurch.' Next year the provincial council passed an ordinance dividing the province into twenty-six road districts, the property-owners in which were compelled to elect road boards. Similar measures had already been passed by most of the other provincial councils; and an official enquiry towards the end of the provincial period showed that there were in New Zealand 314 road boards as well as sixteen incorporated towns. The efforts of the provincial councils to establish urban local government were hindered not merely by the reluctance of the townspeople to add local taxation to the existing burden of provincial and national taxation but also by an uncertainty as to the competence of the councils to grant charters of incorporation.

In the late sixties projects for increased expenditure on public works caused the central government to interest itself in the problem of local administration. The manner in which the provinces were spending the money allotted to them for public works had long been a cause of complaint, and it was felt that any increase in the expenditure under this head must be preceded by a reform of the country's administrative machinery. The Government's plan was to take local government to some extent out of the hands of the provincial councils and to compel them to pay over a fixed proportion of their revenue to local bodies. The proposal to establish a national system of local government was further justified by the discovery that many
of the ordinances by which the provincial councils had constituted road boards and municipal corporations were *ultra vires*.

By this time, however, the battle between the provincialists and the centralists had begun; and the provincialists regarded the proposal to centralise control of local government as merely part of the campaign to whittle away the powers of the provincial councils. In 1867 the Government with difficulty persuaded Parliament to pass a Municipal Corporations Act based on the English act of 1835; but although the original purpose of the measure was to establish a uniform national municipal code, its value was destroyed by a clause making its adoption permissive and not mandatory. A Counties Bill providing for the replacement of road boards by counties with a minimum area of sixty square miles met with a very different fate. The provincialists fell upon it with a fury which hinted at the weakness of their case and it was withdrawn. It was then realised that local government reform would have to be shelved until the main battle between the provincialists and the centralists had been fought out to a finish.

With the abolition of the provinces, the establishment of a uniform national system of local government became not merely possible but, if a complete and unwholesome centralisation of the powers of government were to be avoided, immediately necessary. In 1876 the Premier, Sir Julius Vogel, brought
down a Counties Bill providing for the division of the country into thirty-nine counties and the election of county councils by ratepayers on a multiple property franchise. Those who framed the measure regarded the new counties as a substitute for the provincial councils rather than for the road boards. Even those who had fought most strenuously for the termination of the unhappy experiment in federalism did not desire that the central government should be the sole legatee of the powers of the provincial councils. Their view was that most of the provincial powers should devolve upon a reformed and revitalised system of local government supervised from the centre. Their general design was for an administrative structure in three tiers: the road boards, the county councils, and the central government. It was not contemplated, however, that the system would remain static. The county councils, it was anticipated, would ultimately absorb the road boards (the bill provided for this) and would in addition gradually acquire the powers exercised by certain ad hoc authorities.

The idea behind the act was good; the act itself, by the time it had emerged from its parliamentary mauling, was a series of unhappy compromises. Vogel, who had charge of the bill in the House of Representatives, announced that its 'great object' would be 'to secure the merging of the road boards into the Counties'; but he added 'it would be undesirable that rates should be imposed within the County,
if within the same county there are rates imposed by
the road districts’ and accordingly inserted a clause
making the adoption of the measure in any locality
dependent on the will of the ratepayers. A Canterbury
member, William Rolleston, gave a severe but just
estimate of the defects of the measure. ‘There is no
definition of finances,’ he complained, ‘there is no
definition of functions, and there is that mixing up of
the General Government, the road boards, and the
counties which must land the country in inextricable
confusion.’ In the words of another critic, the Govern-
ment ‘threw the constitution to the people and told
them to adopt it or not as they liked.’

The Government’s vagueness of purpose was par-
ticularly evident and particularly unfortunate in its
consequences when the House came to deal with the
crucial question of administrative areas. The framers
of the bill were conscious that the road districts were too
small to serve as basic units of rural local government;
and they sought, without much in the way of com-
munity of interest or geographic boundaries to guide
them, an area intermediate between the road districts
and the provinces. The bill as presented to the House
of Representatives provided for thirty-nine county
areas; and, although dispassionate critics of the bill
contended that this number was too large, local
influence in the House was so strong that, by the time
the bill became law, the number had been increased to
sixty-three.
In view of the subsequent history of the county system it must be regretted that the reaction against provincialism and an uncritical willingness to copy rural local government in other countries caused the legislators of 1876 to ignore the suitability of the provinces, in point of geographic distinctness and community of interest, as administrative areas. Although more than sixty years have passed since the abolition of the provincial governments, provincial feeling has not been weakened and has in many respects been intensified. Moreover, the great majority of state departments which have decentralised their activities have done so on the basis of the provincial areas. Had the provincialists been less stubbornly and unreasonably opposed to any curtailment of the powers of the provincial governments, had they not defended so vigourously features of the provincial system which were indefensible, New Zealand might by degrees have evolved a system of provincial government which avoided on the one hand the conflicts of jurisdiction inherent in federalism and on the other hand the parochialism of local government.

The history of rural local government in the period since 1876 is mainly a history of further fragmentation. The original Counties Act provided for thirty-nine counties; the number is now 129. The basic reason for this multiplication of areas is the intense local patriotism of the New Zealand rural community. The English village is content to be the English village; the
New Zealand village strives restlessly for aggrandisement and rejects the name ‘village’ as being an insulting diminutive. A score of houses, a general store, and a public house constitute a ‘township’. A township of more than 1,000 inhabitants will probably have its Progress League and its weekly newspaper; if it can also make itself the county headquarters it will have increased its importance, and its public houses and shops will have bettered their trade. The county clerk and the county engineer will be useful additions to the community; the meetings of the county council will bring a dozen or more farmers into the township once a month or once a fortnight; and ratepayers who come to transact business at the county offices will also make the township their shopping centre. Though primarily due to local patriotism, the multiplication of administrative areas was encouraged by the curiously short-sighted policy of the central government in regard to loans and subsidies. The Loans to Local Bodies Act of 1886 established a uniform annual maximum for county borrowing, with the result that the larger counties were penalised. The system whereby county rates were subsidised by the central government had the same effect, since the rate of subsidy decreased as the amount subsidised increased. There were numerous cases of large counties subdividing merely in order that the area concerned might increase its revenue from loans and subsidies.

Only one consolidating tendency is perceptible in
rural local government after 1876: the road districts, which the original Counties Act left intact, have been gradually eliminated, no more than ten now remaining. Unfortunately, however, the gain has been in part illusory, since the elimination of road districts has been paralleled by the growth of the riding system. The Counties Act of 1876 provided for ridings as units of representation; a series of later enactments made them units of administration. The Counties Act of 1920 provides that general rates shall be levied separately in each riding on the basis of estimated expenditure in that riding and that separate riding accounts must be kept. In 1931, however, legislation was passed empowering county councils to abolish the riding system except for representation; and in the eight years since then nearly half the county councils have availed themselves of this power.

An important and unfortunate consequence of the multiplication of county areas has been the increase in the number of ad hoc local authorities. From the first, the counties were too small to be suitable as administrative areas for the new services that came into existence, and their original function of providing and maintaining roads has remained almost their only function. In the year after the passing of the first Counties Act, the control of education was vested in twelve local education boards whose administrative areas were the old provinces or subdivisions of them. In 1885 a state hospital system was created and placed
under the control of twenty-eight local hospital boards whose administrative areas were in the main groupings of counties. The Power Boards Act of 1918 created another set of local authorities to undertake reticulation works and the retail sale of electric power. At the same time, scores of local authorities have been constituted by special enactments to deal with such matters as land drainage, river control, water supply, and harbours. With the ad hoc authorities, as with the counties, the tendency has been towards smaller areas. There are now forty-two hospital districts in place of the original twenty-eight.

The multiplication of local administrative areas has had the further effect of bringing the local authorities more and more under central control. By an unhappy irony, the subdivision of the counties proceeded most rapidly at a time when the development of motor transport was making imperative a larger unit of road administration. The inability of the counties to provide roads of the standard necessary to withstand the strain of motor traffic led in 1922 to the establishment of a Main Highways Board to supervise the road work of counties and, where necessary, to relieve them of this work. In 1936, nearly 4,000 miles of main highways, comprising the principal arterial roads, were declared ‘state highways’ and transferred from county control to control by the Main Highways Board. The ad hoc authorities, like the counties, have not been able to resist the growth of centralisation. The educa-
tion boards established in 1877 are now little more than agents of the Education Department.

A third effect of the multiplication of local areas has been to depress the standard of the local government civil service. Of the twenty-six counties in the Canterbury province, five employ a single executive officer with no clerical assistance; eleven employ a single executive officer with one clerical assistant; only four have five or more executive and clerical employees; and only two have ten or more. Only three of these counties have superannuation schemes. The highest paid county officer in Canterbury gets slightly more than £700 a year and the average for county clerks is not much above £400.

The re-constitution of local government which followed the abolition of the provincial system extended to the towns as well as to the country. The Municipal Corporations Act of 1876 was a consolidation of provincial and central legislation dealing with town government. In its general outlines it followed the English model, the principal differences being that the mayor was elected directly by the ratepayers instead of by the municipal council, that general elections were held every three years instead of partial elections every year, that ratepayers had one to five votes according to the value of their property, and that there were no aldermen. This act gave the women of New Zealand their first franchise, though they were
granted the concession not as women but as property-owners. The multiple property franchise, which was copied from the system of electing boards of guardians introduced by the English Poor Law Act of 1834 and not abolished until 1898, is an interesting comment on the general assumption that New Zealand has always been to the left of England in her political thinking. The tendency to fragmentation of areas which has weakened rural local government has also weakened urban local government, though to a less extent. The two decades or so after 1876 saw the growth around most of the larger boroughs of a ring of small suburban boroughs. As a result, control of tramways, drainage, water supply, and other services which could not be efficiently administered on the basis of existing borough areas passed to ad hoc authorities. Many of these still remain, even though in most large towns the tendency to fragmentation of borough areas has been reversed and many of the suburban boroughs eliminated. There has also been a tendency to consolidation within the boroughs themselves. In 1876, a majority of boroughs were divided into wards, which, like the county ridings, tended to become separate administrative units. No large borough now retains the ward system.

The growth of central control over local authorities has not been accompanied by any such increase as has taken place in England in the contribution of the central government to the finance of local govern-
ment. In 1936-37, local authorities (excluding hospital boards and education boards) obtained 37.2 per cent of their revenue proper from rates, 59.6 per cent from public utilities, licences, and rents, and 2.9 per cent from the central government. Education boards receive all their revenue from the central government. Hospital boards in 1936-37 obtained 40 per cent of their revenue from the central government, 34.9 per cent from rates collected on their behalf by counties and boroughs, and the rest mainly from patients' fees. The total expenditure of local authorities (excluding hospital boards and education boards) was £20,000,000 in 1936-37, which was about one-fifth of the gross expenditure of the central government.

The need for an overhaul of the New Zealand system of local government designed to increase the size of administrative areas, to eliminate ad hoc authorities, to raise the standard of the local government civil service, and to reduce the number of rates levied in each area has been accepted by almost every government for the last thirty years. But the efforts made from time to time to persuade Parliament and the local authorities themselves to institute reforms have made little headway against local feeling. Nor has Parliament been willing to follow the example of the British Parliament by vesting a large part of its general powers over local government in a state department. General problems of local government are dealt with by the Department of Internal Affairs,
which, however, has not acquired that power to supervise the growth of the local government system as a whole which is exercised by the Ministry of Health in England. The New Zealand system of local government is like an unpruned apple tree—a profuse and tangled growth bearing very little fruit.
IN HIS Modern Democracies, Lord Bryce attempts a balance sheet of democracy in New Zealand. On the credit side he lists: Honest government without bribery or election frauds; a tolerably efficient administration; an upright and competent judiciary; a pure and efficient unpaid local government; good public order and a general respect for law; an adequate provision of instruction in public schools.

On the debit side he lists these points: The average of knowledge and ability in Parliament is not high; it wants dignity; its debates neither instruct nor inspire the people. Though there is no pecuniary corruption in public life, there is a great deal of jobbery, especially in efforts to gain the favour of the constituencies. Financial administration has been wasteful—here, as elsewhere, democracy is extravagant. The growth of population is slow, partly owing to the desire of the wage-earning classes to check immigration. Too much land is in the hands of large proprietors.

But, as Lord Bryce seems to perceive, such an assess-
ment has the serious defect of assuming connections which are dubious or do not exist. It can hardly be argued, for instance, that the general respect for law in New Zealand is a result of democratic government.

The confusion inherent in this approach can be avoided by remembering that democracy is a system of government; that is, it is a particular method of organising men and women for action in furtherance of their aims as members of a State. Democracy, from this point of view, is not something to which absolute values can be attributed. It is an instrument which should be tested by suitability for a purpose—and that purpose is to translate the will of the State into action. To pass judgment on democratic government in New Zealand it is therefore necessary first to know what conception the New Zealanders have of the nature and the proper functions of the State.

The State, like the horse, does not exist; it is merely a convenient name for phenomena having common characteristics. It is moreover, a name which conveys a more precise meaning to the student of international law than to the student of politics or sociology. For international law concerns itself with States only in so far as they have common external characteristics; States are equal and alike in international law for the same reasons as citizens are equal and alike in municipal law. But the State, from the point of view of politics and sociology, is something the significance of which varies widely in time and place. Less than a
century ago, the foremost English political thinker believed that the State had no legitimate concern with the health of citizens. In the seventeenth century in England, the right of the State to enforce religious beliefs and practices was fairly generally accepted. In the contemporary world, the disunity of mankind is expressed by the remarkable variety of forms and meanings which the State has assumed. In France, the State and the nation are co-extensive. ‘L’état,’ says Esmein, ‘est la personification juridique d’une nation.’ In Russia, the State is identified not with a nation but with a class; it is, moreover, impermanent, a scaffolding to be demolished when the building of the communist society has been completed. In Germany, the State derives its purpose and authority from a theory of race. The Italian State is declared to be a ‘moral, social, and political entity.’ In Southern Ireland, the State is a political application of the social doctrines of the Catholic Church.

Since New Zealanders, like most British peoples, have never made their political ideas explicit in a constitution, and since their political discussions are never on the plane of abstractions, their ideas about the State and its functions must be inferred from what is done in the name of the State. An obvious but important fact is that New Zealand is a State because of the Pacific Ocean. The people of New Zealand acquired the right to govern themselves not because they had a collective personality which imperatively
demanded political expression but because it was impracticable to govern them efficiently from Sydney or London. And if the New Zealanders of to-day were to be evacuated to England, they would not constitute a self-conscious minority demanding its own political institutions. There is a developing national consciousness in New Zealand; but it has not been sharpened as in European countries by the proximity of another nation across land frontiers or as in the United States by the need to assimilate large racial and national minorities. Moreover, the great majority of New Zealanders do not think of themselves as an independent unit in international affairs. So closely are they tied by sentiment and trade to Great Britain that they regard their national interests as inseparable from the interests of the British Commonwealth.

Without any background of nationality, religion, race, or class to invest it with an emotional aura, the State in New Zealand excites no passionate loyalties and has no marked transcendence over local or sectional interests. That it has acquired wide powers and a multiplicity of functions has been due mainly to its superior resources of organisation, knowledge, and wealth. An old-established society is to a much larger extent than a new society self-governing and self-providing; its customs are a substitute for state law, its accumulations of individual and corporate wealth provide services which would otherwise be provided by the State, and its leisured classes develop public
functions which would otherwise be carried out by paid officials. In New Zealand, the strength of the State is a consequence of the weakness of social organisation. The State in New Zealand provided education only after the churches had shown themselves too poor in money and administrative resources to carry out the task; it provided a hospital service only after the voluntary effort had failed; it undertook the construction and operation of railways because private capital was unwilling to face the risks involved.

The development of the New Zealand education system throws much light on the place of the State in New Zealand social life. The first settlers in New Zealand, though they were fully conscious of the need to provide adequately for the education of their children, had no very strong views as to how this should be done. It was only after the churches had failed, and after the Church-State partnership in education had been found unworkable, that full responsibility for national education was vested in the State. Even then, it was thought desirable to temper the power of the State in this field by a generous delegation of authority to local boards. But the local boards, like the churches and for similar reasons, gradually yielded their powers to the State. To-day, school education is a highly-centralised state service; and even the university colleges are coming more and more under state control. But the State has provided education in the same spirit and for the same reasons
as it has provided old age pensions and hospitals. In Prussia, in France, and indeed in most European countries, state education systems originated in a conscious desire to strengthen the State itself, to inculcate in rising generations a particular view of the nature and ends of political organisation. In New Zealand, the state education system has never become an instrument of state power; the State provides the schools, but with the political and social implications of what is taught in the schools it concerns itself hardly at all.

From one point of view, it is not to be regretted that the State fills so small a place in the spiritual and emotional life of the New Zealand people and makes so small a claim on their loyalties. The world has enough and to spare of assertive nationalism and its political manifestations. If the State in New Zealand does not rise to metaphysical heights, neither does it shut out the sunlight. Nevertheless, it may be doubted whether the New Zealanders can much longer maintain the paradox of a State which, although it regulates economic life almost as minutely as the Italian State, makes no imperative claim on their allegiance. If, like the Athenians or the Chinese of antiquity, they regarded commerce as an occupation for the lower orders of society, if they gave the distribution of goods and services as little consideration as they give to the disposal of sewage or to the supply of water, then it would be possible to relegate control of their
economic affairs to an authority with no more right than a drainage board to deal with problems of faith and morals. But in New Zealand, where a man’s social status and political alignment are mainly determined by what he earns and how he earns it, economic loyalties are basic loyalties. And the focus of these loyalties is outside the State—in the trade unions and in the various organisations which represent the capital-owning classes. The result is like a game of football in which the players on both sides are constantly appealing to a referee whose ruling they are nevertheless unwilling to accept as final and binding.

The history of the Industrial Conciliation and Arbitration Act of 1894 is an example of the ambiguous attitude of economic interests to the State. That this act, at first regarded as an interesting but unpractical experiment, has survived for forty-five years goes to show that a majority of employers and employees are normally willing that the State should regulate the process by which wages and hours of work are fixed and should arbitrate between them when direct negotiation fails. But it is important to note that employers and employees use the conciliation and arbitration system established by the act as a matter of convenience and with reservations. Neither side has ever been willing wholly to abandon its freedom of action or to accept the State as the supreme authority in industrial disputes. It is for the individual unions to decide whether they will accept the procedure under the
Industrial Conciliation and Arbitration Act; and their attitude to the act, like that of the employers, depends on whether the awards of the Arbitration Court appear favourable to them. Both sides have at times condemned the court violently; both have at times warmly commended it. Moreover, it is often enough the case that a union, even after it has registered under the act, thereby legally binding itself to accept arbitration if conciliation fails, will use the strike weapon, secure in the knowledge that it would be both difficult and embarrassing for a government to enforce the law against it. State regulation of industrial disputes has been accepted mainly as a matter of convenience and not because of any widespread recognition of the view, set out in the Italian Charter of Labour, that such disputes, if allowed to reach the strike or lock-out stage, are a threat to the security and well-being of the State.

The attitude of New Zealanders to the State is not unlike the attitude implicit in the preamble to the American Declaration of Independence. The State appears to them, as it appeared to the American colonists, a convenient method of organising for the furtherance of certain objects, having no validity except in relation to those objects. The claims of the individual on the State are certain rights which he possesses as a member of society; the claims of the State on the individual are such as are necessary to enable it to safeguard these rights. The New Zea-
lander of to-day would probably agree to the proposition that the fundamental rights of the individual, as a member of society, are ‘life, liberty, and the pursuit of happiness’. But whereas the American colonists believed that the State, to secure these rights, needed only to maintain order, to organise defence against external enemies, to guarantee the equality of citizens before the law, and to guarantee freedom of speech and writing, the New Zealander of to-day has a vastly wider and more positive concept of the conditions necessary to enable the individual to enjoy his fundamental liberties. A declaration of the rights of man drawn up by the New Zealanders of to-day would include, besides such rights as are implied in the American Declaration of Independence, some such enumeration as the following:

The right to education according to capacity; the right to such medical and hospital treatment as is necessary to safeguard his health; the right to work at a reasonable rate of pay, or in default of this to be maintained by the State; the right to be maintained by the State in old age, sickness, or widowhood.

Now, the key to most of New Zealand’s problems of government lies in this, that when the concept of the rights of the individual is thus enlarged, the State can no longer realistically be regarded (as it is traditionally regarded in English and American political philosophy) as an association for the negative purpose of removing hindrances to the individual’s happiness.
To the English democratic reformers of the early part of the nineteenth century, liberty meant political liberty and the task of safeguarding it was principally the task of preventing arbitrary action by the State. The English system of democratic government, in essence and in origin, is a method of restraining authority. The New Zealanders have long ceased to regard liberty as merely a right to free expression and an immunity from arbitrary restraint; they believe that liberty is as much restricted by ill-health, bad housing, poverty, and lack of education as by the abuse of political authority. In other words, they regard the liberty of an individual as a function of his general social environment. Or, to say the same thing in different words, the State in New Zealand is concerned not merely with the political liberties of the individual but also with his welfare.

Nor is this conception of welfare any static thing. The basic assumption of every political programme that has been put before the electors of New Zealand for more than half a century is the assumption that the material welfare of the nation and of its individual citizens can be progressively increased through the use of the power and resources of the State. No word occurs more frequently in political programmes than the word ‘prosperity’; and a political party, seeking to justify its record in office, will always resort to statistics of wages, savings, export returns, and other accepted indices of national wealth. ‘I will not be
content,’ said one New Zealand cabinet minister recently, ‘until every New Zealand working man has the standard of living of an American millionaire.’

This assumption of the State’s obligation to maintain and extend the material wealth of the community is not, however, accompanied by any clear or consistent idea of the relations which should exist between the State and the agencies for the production of wealth. Power to increase the wealth of the community implies control over those agencies; but the New Zealanders are far from accepting this logic or from committing themselves to socialism except as a remote and shadowy objective. Their attitude is that an industry is best left alone if it is making profits and not conducting itself to the detriment of society; if it falls on evil times it may legitimately, and without prejudice, call on the State for assistance. To accept assistance from the State is not, however, to accept state control or ownership. Thus, the Primary Products Marketing Act of 1936, which provides for the payment of guaranteed prices for dairy produce, laid it down that the dairy farmers were to receive a return such as would enable them to live ‘at a reasonable standard of comfort’. But against this clear statement of the obligations of the State to the dairy farmers was set no corresponding statement of the obligations of the dairy farmers to the State. Moreover, dairy farmers as a class have been reluctant to
admit that the acceptance of such a guarantee in any way compromises their economic independence.

This outline of the nature and functions of the State in New Zealand, brief as it is, shows how far the New Zealanders have advanced beyond the view, commonly held in England at the beginning of the nineteenth century, that the function of the State is primarily to protect the community against enemies from within and without and to guarantee to individuals certain rights and immunities. The State in New Zealand is now expected to maintain for its citizens a minimum standard of welfare, involving the provision of free education, health services, and a wide range of pensions and benefits to cover such eventualities as old age, sickness, unemployment, and widowhood. Further than that, the State has an ill-defined but onerous responsibility for keeping industry prosperous and progressively raising the general level of wealth. In the discharge of this last function, however, it is hampered by a fundamental and dangerous inconsistency which must qualify any criticism of state regulation and planning in industry. That inconsistency lies in the unwillingness of New Zealanders to concede to the State an authority in economic affairs commensurate with its responsibilities. This is the background against which democratic government in New Zealand must be judged.

At the outset it must be remembered that the New Zealanders inherited their system of government and
New Zealand Democracy

did not create it *ad hoc*. Moreover, the system they inherited was essentially anti-authoritarian. The radicals who were responsible for the great democratic reforms in England in the early years of the nineteenth century tended to regard power itself as evil and to assume that human happiness was best safeguarded by erecting barriers against arbitrary action by the executive. But when the State concerns itself with the welfare of the community and assumes responsibility for its economic prosperity, safeguards against arbitrary action are no longer guarantees of good government. What governments do becomes more important than what they refrain from doing. Problems of personnel and organisation become of first importance; and it becomes necessary for the executive to be able to act swiftly and without prior authorisation.

More than in any other British country, the basic problem of government in New Zealand during the last century has been the problem of transforming democracy from a system of checks and balances to a system for the exercise of the power of the State in promoting social welfare and regulating industry. Moreover, since the idea of individual rights against the State which is the foundation of democratic government has not been abandoned or even greatly modified, this change has had to take place without any such sweeping assertion of the primacy of the State over the interests of individuals and associations as has
simplified the problems of government in Italy and Russia.

Against these handicaps must be set certain factors which have made for flexibility and a growth in the power of the executive, the most important among them being the retention, as in other British countries, of the prerogatives of the Crown. Although the British peoples have refused to concede transcendent authority to the State, and indeed regard the very word with suspicion, they are capable of a convenient constitutional mysticism which leaves at the disposal of the executive a vast reserve of powers and immunities. A second factor of some importance is that the tendency, begun by the Constitution Act of 1852, for the constitution to assume a written form has not been maintained. Though the Constitution Act is still legally in force, it has ceased to be of practical importance and does not, like the constitution acts of Australia and Canada, impose substantial and at times inconvenient limitations on the power of the central government.

It can fairly be claimed that, in the legislative branch of government, New Zealand has reached a happy compromise between the need on the one hand for speed and flexibility and on the other hand for such delays as will enable public opinion to express itself on important measures. General recognition that the delegation of legislative powers to the executive is both inevitable and desirable has led to classification
and indexing of regulations and orders in council in an accessible form and is leading to a commonsense compromise whereby Parliament legislates in matters of general principle and the executive in matters of detail. Admittedly the compromise is as yet far from perfect. Parliament still on occasions concerns itself with trivialities, still legislates hurriedly and carelessly towards the end of the session; while the executive often enough involves itself in legal tangles by interpreting too liberally the powers delegated to it. Nevertheless, there can be few countries where such a large legislative output is maintained with so little legal confusion or so little abrogation of the essential rights of Parliament. And there are few countries where the reasonably informed and intelligent citizen can so easily discover for himself how the law stands on any particular point.

In public finance also maintenance of the traditional forms of the British parliamentary system has not been found incompatible with the development of a system of financial control which conforms to modern needs. The tendency is for the statutory cash accounts, which take no account of assets and liabilities and therefore give no real indication of the financial position of state undertakings, to be reduced to essentials and for details to be relegated to departmental accounts on commercial lines. In no other country in the British Commonwealth do the public accounts present a more reliable and realistic picture
of the national finances. In consequence, extravagance by departments and fraud by public servants are comparatively easily detected. Lord Bryce’s statement that ‘here, as elsewhere, democracy is extravagant’ is not now true in so far as it refers to the actual management of state undertakings. What extravagance there is arises in the sphere of policy and not of administration.

For reasons which have already been examined, the greatest difficulty in adapting the British democratic system to contemporary political needs in New Zealand has been encountered in the executive branch of government. The tradition of New Zealand political life which requires that ministers shall be readily accessible to the public and shall travel about the country at frequent intervals means that they become heavily involved in the details of administration. Moreover, since the device of Parliamentary Under-Secretaries has not been generally adopted, every session of Parliament imposes a heavy additional burden on ministers by requiring them to spend many hours of each day in the House of Representatives. Their position is analogous to that of directors of a business in which the annual meeting of shareholders goes on for several months in each year. Partly because ministers are able to spend so little time on general policy questions, and partly because the Cabinet’s principal advisers are heads of departments, who necessarily have a specialised outlook on policy questions, the task of co-ordinating departmental
activities where several departments are involved in the carrying out of a policy decision is imperfectly discharged. This weakness of co-ordination has in recent years created a tendency to concentration of authority in the hands of one minister, usually the Minister of Finance.

In any democratic system of government, however, the principal obstacle to efficient executive government is the periodic dismissal by the electors of the whole executive. The problem of maintaining continuity of government is therefore a difficult problem and becomes more difficult in proportion as the State undertakes economic regulation and planning. In New Zealand, as in other democratic countries, the principal safeguards against sudden and damaging reversals of policy are, first, the unwritten convention which dictates that a new government shall only in the most exceptional circumstances ignore an undertaking by its predecessor and, second, the influence of departments over their ministers. In New Zealand, moreover, the problem of continuity is made less difficult by two special factors. One is that the political pendulum has a long swing. Since the beginning of representative and responsible government, governments of the left and right have alternated in periods of approximately twenty years. The other special factor is that disagreements between political parties are normally disagreements of emphasis rather than those of principle. When a party makes a flourish of some
principle it will commonly be found that this principle is accepted by the other side and is already being applied. Thus, the Reform party won the election of 1911 on a promise to confer the freehold on small farmers, though in fact the Liberal Government had for several years been extending the freehold system. And in the election of 1935 the Labour party promised, with the air of promising an innovation, 'state control of currency and credit', although the National Government, by establishing the Reserve Bank in 1934, had already accepted the principle and in part applied it. There is no instance in New Zealand's political history since the abolition of the provinces of a government being defeated on a clear-cut policy issue. Indeed, the difficulty in New Zealand is not that governments change too often but that they do not change often enough. The danger is not lack of continuity but lethargy.

The criticism most frequently brought against democratic government in New Zealand is that the level of ability and enlightenment is low. In so far as this criticism relates to the personnel of Parliament it is unreasonable; for, as has been shown, the composition of Parliament is very much the same as the composition of elected legislative bodies in other countries. The charge that its debates do not 'instruct or inspire the people' is a charge which might be brought against elective bodies generally and is in any case based on a misconception of the functions of
elective bodies. Nevertheless, although a safe level of mediocrity is sufficient in Parliament, it is not sufficient, under modern conditions of government, in the executive. And here, it must be admitted, the British democratic system as it functions in New Zealand leaves something to be desired. The convention that ministers must be members of the House of Representatives, and the long period between changes of government, means that by the time a politician becomes a minister, he will normally be on the wrong side of sixty. Moreover, the long political apprenticeship he has served as a private member is not an apprenticeship which fits him for the task of administering a portfolio. Although there are striking exceptions, few men are at sixty physically and mentally fitted for the long hours and mental strain involved in administering portfolios, formulating national policy, and justifying their actions to Parliament and the electors.

One charge which has frequently been made against democratic government in New Zealand and which is in the main valid is that there is too little serious study of social and political problems. Because of the venturesome willingness of the New Zealanders to use the State for regulating industry and for promoting social welfare, New Zealand is often called a ‘laboratory of social experiment’—so often that the New Zealanders themselves have accepted the label and begun to take a pride in it. It is a misleading label.
Experiments there have been in abundance; but laboratory conditions are almost wholly absent. New Zealand’s state experiments are in the main the result not of a scientific and enquiring spirit, but of a deep-seated disrespect for authority, tradition, and the experience of the past. M. Siegfried has described it accurately and unkindly:

‘Many New Zealanders are honestly convinced that the attention of the whole world is concentrated upon them, waiting with curiosity and even with anxiety to see what they will say and do next. They have certainly been a little spoilt by being always spoken of as the most advanced people in the world; they have been blamed by some, and by others been praised to the sky; they have seldom been laughed at, and above all, they have been everywhere discussed. In this way they have become so accustomed to being taken seriously that they have become conscious of a mission to humanity. Europe struggles painfully in social and political crises from which she cannot extricate herself. She yearns for a passport or a guide to show her the way—something to lift her out of the rut into which she has sunk. Poor Europe, bound to her own traditions and prejudices! Poor European Continent, victim of its own unbelief! Well, say the New Zealanders, New Zealand will be her guide. To qualify herself she will make the necessary experiments.’

There would be no harm and much good in this self-confidence if it were supplemented by a spirit of
enquiry. But the laborious collection, classification, and analysis of data, the realistic assessment of results, the careful modification of social legislation in the light of experience, are foreign to the New Zealand temperament. The sociologist who comes to New Zealand will find much to interest and very little to enlighten him. The efforts to solve the unemployment problem during the recent economic depression are an example of this willingness to experiment and unwillingness to observe results. When, in 1930, the employment problem became acute, New Zealand had no system of unemployment insurance, no state system of unemployment relief, and virtually no administrative machinery for dealing with the unemployment problem, which hitherto had been blanketed by extensive public works activity. These disadvantages were offset only by the generous willingness of New Zealanders to recognise that unemployment was the responsibility of the community and the State, by their calm confidence in their own capacity to solve a problem which was baffling statesmen throughout the world, and by a determination that nothing corresponding to 'the dole' would be allowed to establish itself. The record of unemployment administration during the next five years is one of which the country can be both proud and ashamed. Expenditure on unemployment relief by the Unemployment Board and local authorities was in the neighbourhood of £5,000,000 a year (more than was being spent on
primary education); and with amazing ingenuity and perseverance a whole series of schemes, some abortive and some partly successful, was devised in an effort to put the unemployed into useful work. Yet, after five years, the country knew little more about the nature and causes of unemployment, about the unemployed themselves, or about the possibilities of getting them back into employment than it did before the depression. If a few thousands out of the many millions of pounds spent on experimental remedies had been spent on expert investigation and observation, the results would have been better and much valuable knowledge would have been acquired for the benefit of future generations.

The genius of the New Zealanders expresses itself, in the sphere of government, not in a capacity for solving difficult problems of sociology or economics, but in a capacity for carrying through successfully projects requiring organising ability and technical skill and resource. Such tasks as building railways and hydro-electric works and organising the marketing of primary products, government in New Zealand will carry through as efficiently as government in any other part of the world, since the nature of the problem is clearly defined and the type of ability needed for its solution easily measurable. But when the task involves excursions into abstract thought and calls for ability of the type which is difficult either to define or to measure, government in New Zealand is
frequently at a loss and tends either to fall back on shallow notions of commonsense or to become dominated by ideas which are ingenious and misleading simplifications.

There can be few more searching tests of the quality of a government than control of a native race; and the record of New Zealand’s mandate over Western Samoa is in this respect worth study. It can safely be said that rarely in the history of colonial administration has a native people been governed with a higher sense of responsibility or with greater determination to make the interests of that people the overriding consideration. The New Zealand Government has shown a deep and practical solicitude for the economic welfare, the health, and the education of the Samoan people; it has encouraged their aspirations to self-government; it has dealt patiently and honestly with their manifold grievances; and it has unhesitatingly placed their interests above the interests of European traders and planters. And the racial vitality of the Samoans to-day, the success with which they are adapting their ancient social institutions to modern needs, the confidence with which they face the future, are in a large measure due to the generous impulses and honesty of purpose so characteristic of the New Zealand Government. But it is equally characteristic of the New Zealand Government that during its period of control in Samoa it should have done almost nothing to promote scientific research into the problems
of the most interesting of all native peoples of the
Pacific, that its efforts in the field of education have
been crippled by failure to grasp the terms of the
problem, that the problem of how to fit the Samoans
for the self-government they have been promised has
baffled it completely, and that the basic excellence of
its record in Samoa should be obscured by a series of
squabbles and disturbances arising primarily from an
inability on the part of New Zealand cabinet
ministers and public servants to understand a people
whose values and ways of thought are nearer to the
Middle Ages than to the twentieth century.

It is tempting to conclude, and is indeed often con-
cluded, from a study of government in New Zealand
that the New Zealanders as a nation are characterised
by a safe, honest, competent mediocrity and that they
are lacking in those qualities of imagination and
capacity for leadership which go to make outstanding
administrators. To show that this conclusion is unjusti-
fiable, it would only be necessary to name a few of the
New Zealanders who have in recent years distin-
guished themselves in the British and colonial civil
services and in other walks of life where there is a
premium on these qualities. The truth is rather that
the strong equalitarian spirit of New Zealand democ-
RACY is against the emergence of leadership in the
state services. In the public service and in the teaching
profession, the emphasis is on the greatest good of the
greatest number. It is considered better that average
ability should be high and should be assured of regular promotion and adequate rewards than that exceptional ability should be assured of rapid advance; and to this end there are the most elaborate safeguards against nepotism and favouritism.

In recent years, however, there has been a growing realisation that mere negative safeguards against abuse cannot produce government of the high quality necessary in a State which is grappling with the complex problems of human welfare and economic planning. The public service authorities, not without misgivings and in the face of much opposition, are now beginning to look for exceptional ability and to provide it with exceptional opportunities; they are beginning to understand that a high average of competence and integrity and elaborate safeguards against abuse cannot in themselves secure good government, even if they are the indispensable groundwork of good government. Democracy, in New Zealand as elsewhere, will stand or fall by the quality of its executive authority.
THE inter-relation of the work of state departments which makes co-ordination so necessary, also makes it difficult to invent categories which will enable the departmental system to be described without obscuring its outlines behind a mass of detail. In official reports, the four categories most commonly used are: Administration, Law and Order, etc.; Social Services; Development Services; Trading Services. The third of these categories includes departments with powers of control over industry, which it is more convenient to classify separately.

The first of these categories covers what might be regarded as the basic functions of the State—defence against external enemies and the maintenance of internal order—and in addition those services, such as finance, which are incidental to any complex social organisation. It might be arranged as follows:

GENERAL FUNCTIONS OF GOVERNMENT

Defence
Army
Navy
Air
Appendix

Each service department is administered by a board consisting of a group of officers presided over by the Minister of Defence. The activities of the three departments are co-ordinated by a Council of Defence including the Prime Minister, the Minister of Defence, the Minister of Finance, the Minister of Supply, the chiefs of the service staffs, the Secretary to the Treasury, the Permanent Head of the Prime Minister’s Department.

Internal Order
Justice and Prisons
Police
Transport

The Transport Department comes in this section because, except in the metropolitan areas, it regulates road traffic in the interests of safety and convenience.

Foreign and Imperial Affairs
External Affairs
Prime Minister’s

These two departments are under the same permanent head. The Prime Minister’s Department deals with inter-imperial and foreign relations, the External Affairs Department with New Zealand’s Pacific dependencies and her mandate over Western Samoa.

Finance
Treasury
Audit
Customs
Land and Income Tax
Stamp Duties
Valuation

The Secretary to the Treasury is also a director of the Reserve Bank, a director of the State Advances Corporation, a member of the Council of Defence, and a member
of the Local Government Loans Board. This list of the offices he holds, which is not exhaustive, is an indication of the Treasury's primacy, by virtue of its financial responsibilities, among the state departments. The Valuation Department values land for the purposes both of central taxation and local body rating.

Miscellaneous

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The Internal Affairs Department is the descendant of the Colonial Secretary's Office, which, in the early period of constitutional government in New Zealand, discharged most of the functions of general government. In the process of time many of these functions—as for instance public works, health, and agriculture—have passed to separate departments. The present functions of the Internal Affairs Department are thus a residue rather than a rational grouping. The nature of its origin is indicated by its important constitutional functions. Through it, proclamations are issued summoning, proroguing, and dissolving Parliament; through it, government decisions affecting the whole public service are conveyed to departments; and through it are paid the salaries of ministers of the Crown. Its miscellaneous functions include administration of the game laws, the passport system, and local government (in so far as there is central control in the interests of co-ordination and efficiency). The Marine Department
might also be included among the developmental services, since it has powers over the fishing industry.

**SOCIAL SERVICES**

Social Security  
Health  
Mental Hospitals  
Education  
Labour  
Broadcasting  
National Provident

The Social Security Department, which came into operation in 1939, supersedes the Pensions Department. What is called the ‘social security scheme’ includes both allowances for old age, invalidity, etc., and (ultimately) free medical services. On the medical side, the scheme is administered by the Health Department. General hospitals are a national service controlled by local hospital boards over which the Health Department has certain powers of control. It is perhaps unlikely that local control over hospitals will long survive the introduction of free medical services. Education is a nominally localised service; local education boards in theory administer primary, intermediate, and technical schools and employ teachers. Actually, control of education is highly centralised. Broadcasting was until 1936 administered by a board responsible to Parliament; it is now under ministerial control.

**DEVELOPMENT SERVICES**

Public Works  
Lands and Survey  
State Forest  
Iron and Steel

The Public Works Department carries out the construction of public buildings, railways, hydro-electric works,
irrigation works, and major road works and, through the Main Highways Board, supervises much of the roading work of local authorities. The Railways Department might be included in this category, since railways have always been regarded as a means of promoting development. The Iron and Steel Department is included here because it is in the developmental stage; later it may become a trading department.

CONTROL OF INDUSTRY AND ASSISTANCE TO INDUSTRY

Primary Industry
Agriculture
Primary Products Marketing
Mines

The Department of Agriculture advises farmers on production methods and combats diseases, blights, and other pests. The Primary Products Marketing Department was set up in connection with the guaranteed prices scheme for dairy produce and has extended its functions rapidly. It now deals with internal as well as external marketing of primary commodities.

Secondary Industry and Commerce
Industries and Commerce

The Industries and Commerce Department deals also with tourist resorts and publicity. This apparently incongruous grouping of functions is to some extent justified by the convenience of combining overseas representation for trade purposes with overseas representation for tourist purposes. Until about three years ago, the development of
secondary industries was regulated mainly by tariffs, with the result that the Customs Department was far more important in relation to secondary industries than the Industries and Commerce Department. With the advent of a government wishing to control secondary development more directly, and with the adoption of a system of import rationing, the Industries and Commerce Department has become the principal regulating authority for secondary industry. The licensing of industries, provided for in the Industrial Efficiency Act of 1936, is carried out by a Bureau of Industry consisting of officials and representatives of industries. The bureau is concerned mainly, but not exclusively, with secondary industries.

*Transport Industry*

**Transport**

Systematic regulation of road transport began in 1931 mainly because road competition was adversely affecting the financial position of the railways and the tramways. Licensing has not, however, been merely negative and restrictive; in the last few years the work of the Transport Department has greatly improved the efficiency of road transport by promoting the amalgamation of small units.

*General*

**Labour**

**Scientific and Industrial Research**

The Labour Department can be regarded either as a social service or as a regulative service. Its principal function is the enforcement of industrial awards and the factory, shops, and offices laws.
TRADING SERVICES

Monopoly Trading

Post Office
Railways
Public Works (hydro-electric branch)
Commercial Broadcasting

Under governments of the left, the railways are regarded primarily as a developmental service and are placed under ministerial control; under governments of the right, they are regarded primarily as a trading concern, to be run on commercial principles with a minimum of 'political' interference. With the development of motor transport, the railway monopoly was seriously weakened; it is now being strengthened by regulation of road transport and by the acquisition of competitive road services by the Department. The hydro-electric branch of the Public Works Department sells power in bulk to power boards and other local supply authorities.

Competitive Trading

State Advances
Public Trust
Government Insurance
State Fire Insurance

Most of these services were introduced in the early period of New Zealand’s economic development as a means of regulating indirectly the cost to the public of certain services provided by private enterprise.
OF the descriptive and analytic accounts of New Zealand political life, easily the best is André Siegfried’s *La Démocratie en Nouvelle-Zélande* (Paris, 1904). Although it was written more than thirty-five years ago, Siegfried’s analysis of the political characteristics of the New Zealanders is almost as true to-day as it was then. It is necessary to remember, however, that Siegfried wrote when the Liberal-Labour Government was at the peak of its prestige and his book is therefore inclined to overestimate the inherent radicalism of the New Zealand electorate. For this reason, the English translation, *Democracy in New Zealand* (London, 1914), is particularly valuable, since it has for a preface an admirable essay by W. Downie Stewart on the causes of the Liberal-Labour party’s decline. Lord Bryce, in the second volume of his *Modern Democracies* (London, 1921) devotes a section to New Zealand. Some of his conclusions are discussed in the last section of this work. The classic account of New Zealand political life by a New Zealander occurs in William Pember Reeves’s *Long White Cloud* (3rd ed., London,
Reeves was for several years a member of the Seddon Ministry and writes with unrivalled knowledge of the actual processes of government in New Zealand. *The Long White Cloud* is, however, very much the product of its period. J. C. Beaglehole's *New Zealand, a Short History* (London, 1936) might also be placed in the same class as the three works listed above, since it is more an essay on New Zealand politics than a history.

Because problems of material welfare are almost the whole content of New Zealand politics, much of what has been written about social and economic policy is useful to the student of government. The two outstanding books in this class are J. E. Le Rossignol and W. Downie Stewart's *State Socialism in New Zealand* (London, 1910) and W. P. Reeves's *State Experiments in Australia and New Zealand* (London, 1902). Of these two books, the first is the more objective and the more comprehensive. The special interest of Pember Reeves's work is his own connection with some of the social experiments of the Seddon period. J. B. Condliffe's *New Zealand in the Making* (London, 1930) has useful passages on the growth of the Labour movement and gives what is perhaps the best estimate of the achievements of New Zealand governments in the sphere of economic control and development. A. Métin's *Le Socialisme sans Doctrines* (Paris, 1901) contains some interesting observations on the spirit of New Zealand politics at the end of the nineteenth century.

The standard work on the legal and constitutional aspects of government in New Zealand is J. Hight and

The earlier period of New Zealand political history is covered by G. W. Rusden’s *History of New Zealand* (London, 1883) and A. Saunders’s *History of New Zealand from 1642 to 1893* (Christchurch, 1896-9). Both these writers are so close to the events they narrate that their work is in places far short of critical detachment. The only brief, up-to-date, and reasonably reliable political histories are in the volume on New Zealand in *The Cambridge History of the British Empire*—volume vii, part ii (Cambridge, 1933), and A. W. Shrimpton and A. E. Mulgan’s *Maori and Pakeha, a History of New Zealand* (2nd ed., Christchurch, 1930). The quarterly issues of *The Round Table* give a useful and on the whole dispassionate account of political developments in New Zealand from 1910 to the present time.

Several biographies contain material valuable to the student of New Zealand political life. W. L. Rees and L. Rees’s *The Life and Times of Sir George Grey* (Auckland, 1892), J. Collier’s *The Life of Sir George Grey, Governor, High Commissioner, and Premier* (Christchurch, 1909), and

Very little has been written about public administration in New Zealand except in official publications. *The New Zealand Official Year-Book* gives brief histories and descriptions of all the more important institutions of central and local government. More detailed information about local government is given in *The Local Authorities Handbook*, compiled, like *The New Zealand Official Year-Book*, by the Census and Statistics Department. The best sources for the history of the public service are the reports of the Royal Commission of 1866 (*Appendices to the Journals of the House of Representatives*, 1866, D-7, 7A, 7B) and of the Commission of 1912 (*Appendices to the Journals of the House of Representatives*, 1912, Sess. II, H-34). The development of the public service since 1912 is recorded in the annual reports of the Public Service Commissioner (*Appendices to the Journals of the House of Representatives*, H-14, 1913 and subsequent years). Discussions of public service problems will also be found in *The Public Service Journal*, the monthly organ of the Public Service Association of New Zealand, and in the *Journal of Public Administration*, the journal of the New Zealand Institute of Public
Administration. Information about the organisation of state departments can be had from these sources and from the annual reports of the departments themselves in the *Appendices to the Journals of the House of Representatives*. The development of the New Zealand system of public accounting can be traced in the annual reports of the Controller and Auditor General, published each year with the public accounts (*Appendices to the Journals of the House of Representatives*, B-1 since 1860) though it is necessary to remember that there is normally some difference of opinion between the Controller and Auditor General and the Treasury.

Government is such a wide subject that a reading list such as this must be arbitrarily selective. Students seeking fuller information about the range of published works and source materials should consult the bibliography at the end of the volume on New Zealand in *The Cambridge History of the British Empire*. 
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