

48. In New Zealand the total production of wheat was, in 1898, 50,000 bushels less than the local consumption. Do you recollect that year?—But you must remember that 1898 was a year of severe drought in Canterbury. Last year there was a large surplus.

49. If the duty were repealed would not the northern districts of the colony, which are not wheat-producing, have to get their wheat from Australia?—That would be the case if they could buy it cheaper than from Canterbury or Otago.

50. Is not the Australian wheat a drier wheat?—Yes; I believe it is better for milling.

51. Would not the effect of repealing the duty on flour result in large imports from Australia?—It would depend on the question of price. If they could import cheaper from Australia than from the South Island it would be bought for preference; but I should imagine that the producers here would simply have to meet the market, as they would not allow the Australians to corner the North Island trade to the exclusion of their own wheat.

52. Then, the effect would be to reduce the price, in all probability?—No; because I think the price of wheat all round, taking one year with another, is regulated by the value in London.

53. Is not the freight from Sydney about the same as from Invercargill to Auckland?—There is not much difference.

54. Then, the local grower would have no advantage in sending supplies to Auckland?—Not much.

55. Is it not a fact that before the duty was imposed the greater part of the Auckland wheat-supply came from Sydney?—I could not tell. I always thought the bulk of the Auckland supply was drawn from the South Island.

56. A short time ago there was a short importation of American wheat into Auckland: did not that result in a very great outcry from the Canterbury farmers?—I do not remember the circumstances.

57. It was imported for the Auckland Roller Mills, which were in the hands of the Assets Board?—I think such an act would probably lead to an outcry for protection; but, taking one year with another, there would be very little risk of any trade of consequence being done with outsiders.

58. Is it not a fact that the wheat-production of New Zealand is reduced to the actual consumption of the colony, and that wheat does not pay to export?—I believe there is a considerable exportable surplus this year.

59. Has it not been the experience of the past that losses have been incurred on wheat, and there has been a tendency to reduce the export?—I cannot speak with any precise knowledge, because this is really not a wheat-producing district, but I believe that the Canterbury farmers, taking one year with another, have done pretty well with wheat.

60. You do not think they would object to the repeal of the duty?—I do not know what they would do; but, personally, I do not think that intercolonial free-trade would seriously affect the wheat-growers of this colony, nor the flourmillers, as I think our own flourmillers can hold their own with those on the other side.

61. Perhaps you have given some attention to the financial aspect of federation?—I have thought a good deal about the whole question. I said I had not considered the political aspect: I mean I had not been able to arrive at any definite conclusion, and naturally I would not like to say anything on the subject.

62. Perhaps, as a commercial man, you have considered the question of borrowing on the part of the States of the Commonwealth. If the Customs duties were taken over by the Commonwealth, could the States borrow any funds for the construction of railways and roads?—I have always considered that federation would be a great assistance to the colonies in the matter of borrowing, for they would have the guarantee of the Commonwealth, and could get their money at perhaps a lower rate of interest.

63. Do you think the Commonwealth would borrow money to devote to the purpose of purchasing land for settlement?—I really could not answer that question.

64. Would the Commonwealth be likely to borrow money for the construction of roads in New Zealand?—I certainly think that unless the colony had some power to raise money to carry on public works it would be a very serious question as to whether they should join the Commonwealth at all. I imagine that provision is made for borrowing.

65. Do you think they could borrow profitably?—I think their credit would not be adversely affected by being members of the Commonwealth, but otherwise.

66. If they have no control over Customs duties, which is the chief security?—If you do not take the money out of the people in one form they have got it in their pockets, and it will be taken out in some other form.

67. Would we not be very much in the position of the old Provincial Governments in regard to borrowing? Would our credit abroad not be very much discounted by the fact that we have no control over Customs revenue, which is the chief source of our security?—I have not considered that aspect of the matter.

68. Are we likely to get loans on good terms?—My opinion is New Zealand would be able to borrow money then on just as favourable terms as now. As to the risks of the Federal Government putting on direct taxation, I take it that our representatives in the Commonwealth Parliament would have some say in moulding the policy, and would not agree to any injustice being imposed on us.

69. But Mr. Barton has already indicated the possibility of direct taxation being imposed?—I recognise that there are considerable risks to be faced in joining the Commonwealth, but we have to sink our individuality to some extent. But that is an aspect of the case I have not formed a definite opinion on. While believing that there would be an immense advantage to this colony from a commercial point of view, I admit that there might be drawbacks from a political point of