

furniture trades?—I do not see why we should be seriously at a disadvantage in connection with boots now. We have the raw material here as advantageously as in Australia, and I presume we have the same machinery and the same or better workmen for making them; and therefore I say in a broad way we should not be at a disadvantage in the making of boots at all.

32. How do you think it would affect the wage question in New Zealand?—It certainly would tend to the levelling of wages as between New Zealand and Australia.

33. Would that levelling be in the direction of levelling down or levelling up in New Zealand?—I do not see why eventually wages should be higher in Australia than in New Zealand, or *vice versa*.

34. *Mr. Beauchamp.*] In answer to Mr. Luke, you said you considered the effect of federation would probably be the levelling of wages: have you considered the effect on wages of the different climatic conditions? I take it that a man in Australia can live cheaper in many parts through the warmth of the climate than in New Zealand, and therefore in New Zealand he must earn higher wages?—I do not think, as a matter of fact, that living is cheaper in the Australian towns than in the New Zealand towns, as far as my observation of them goes, and I have been in them all.

35. As regards competition with America, I understand you to say you think in course of time we would ourselves be able to compete against the manufactures of America?—Yes; I think we would be able to do so as much in connection with the Commonwealth as out of connection with it.

36. And you think that inter-free-trade would not prejudicially affect our industries here in the event of our federating?—In the broad view, I do not think it would. There might be dislocations to begin with; but, our natural conditions being as good, and our ability to manipulate the raw material into the manufactured material being quite as good, and our having the raw material to manipulate, it does not appear to me why, in the long-run, we should not produce manufactured goods equal to those of Australia.

37. I have a return showing the wool imports from Australia to Dunedin. In 1897 Dunedin imported from Australia wool to the value of £385; in 1898 the value was £1,429; and in 1899 it was £3,921. Do you know whether those wools are the product of Australian woollen-mills?—I should presume they are not. It altogether depends on where the figures have been got from. The ordinary statistical blue-books discriminate, I think, between exports which are the product of Victoria or which are the product of New South Wales, as the case may be, and exports which are re-exports. Your question, I think, depends altogether on the compilation.

38. Of your own knowledge, do you know whether in Dunedin there are considerable quantities of woollen goods used that are manufactured either in New South Wales or Victoria?—I do not know from actual knowledge.

39. Then, I gather it is your opinion that the trade of this colony would be distinctly affected by our not federating?—Very largely affected, I think. I may amplify that answer by saying that at the present time I think we export rather more than a million and a half—I think it is about a million and three-quarters—to the Australian Colonies.

40. That included specie?—Probably it does. If any one can tell me the amount of specie I would be obliged.

41. About £200,000?—Then, it comes down to a million and a half. [The Secretary intimated that last year the value of the specie exported from New Zealand was £53,000.] Yes; the exports from the colony to Australia stand at £1,700,000—specie does not seriously affect that figure—and under federation I think the bulk of that trade will disappear.

42. *Hon. Captain Russell.*] The bulk of which trade?—Our export of £1,700,000 per annum to Australia.

43. *Hon. the Chairman.*] You think it would disappear?—Yes. I do not mean it would immediately disappear, but I think it will be eventually worked out, and I will give my reasons for that opinion.

44. *Mr. Leys.*] Is that if New Zealand does not join?—Yes. My reason is this: At the present time we do an exceedingly small trade with Australia, except New South Wales. New South Wales is answerable for the bulk of our present business with Australia. The reason for that is very largely that New South Wales is a free port, while at the present time all the other colonies have protective duties against us. These protective duties have worn down our trade with Victoria to an exceedingly small one, and have prevented us having anything of a trade with the other colonies, except always New South Wales. It is reasonable, therefore, to assume that if New South Wales sets up a tariff against us, or if the Commonwealth as a whole sets up a tariff against us, we will see the same thing happen in New South Wales as happened in the other colonies—viz., that they will be able to do without the imports from New Zealand. I would also like to put it this way: that these exports from New Zealand to Australia, which total £1,700,000, are exports of New Zealand produce consisting of certain items with which we are all familiar. All these articles can be produced in Victoria, and produced there approximately as well as and as cheaply as they are produced in New Zealand. Therefore, after the federation, Victoria will have her production stimulated, and she will have the advantage of being inside the tariff, while we will be outside of it. Therefore she will gradually attach to herself this trade which we have been doing with the other colonies, and it will leave us. At any rate, I feel certain that, of the £1,700,000, a million will be lost to New Zealand.

45. *Hon. the Chairman.*] At least a million of it?—Yes, I think so.

46. *Mr. Beauchamp.*] I go back to the one point of specie. From the Port of Dunedin during 1899 specie was exported to the value of £343,346, out of a total exports from Dunedin of £526,291, so if you deduct the specie from the total the exports from Dunedin appear to be rather small?—The exports from Dunedin are rather small. I admit that. I should say it amounts to £300,000 to all Australia.