

tected, because these steel rails they are sending out are being sent out, I think, at cost. No doubt the large contracts the Americans have been taking are undertaken because of a surplus.

788. Taking the thing practically, will it affect our market?—Not in steel rails. In other things it will affect our market. I have actually bought American brass manufactures cheaper than the American cost.

789. Does not that materially affect the question of federation: have we not to look to a wider market than Australia whether we federate or not?—Yes, that would be right enough if things were equal, but I do not see why we should throw away our independence if things are not equal. If everything were equal, and we had copper, and tin, and other things, I should say open every port in the colony.

790. Should we not fear American production rather than Australian, whether we federate or not?—No, because we have a 20-per-cent. tariff against the American.

791. On iron goods?—On all the iron and brass manufactures, with the exception of those confounded exemptions. The tariff is burdened with exemptions, of which mining machinery is one. If I wanted a new boiler, or a new engine, and did not feel inclined to make it, I would have to pay 20 per cent. duty, while if I sent it up to a mine I would have to pay only 5 per cent. Our tariff is killed with exemptions. I do not know how they are put in, but they are there.

792. You spoke, too, of the cost of production being affected because of the price of coal: is it not possible that very soon New Zealand may be at an advantage as compared with Australia in motive-power through electricity?—Yes; I have a feeling myself that we will progress, and that in time we may be in a position to federate anywhere, but at present I do not think it, because we have not got the facilities.

793. Your objection to federation applies to to-day and not to fifty years hence?—To a certain extent.

794. Have you considered it from the position of a vigorous country in a cool climate competing with a country no doubt vigorous, but where the climate is hot?—That is a point in New Zealand's favour, but it is only a small point. I will tell you why: Working in buildings in a hot climate, such as Melbourne or Sydney, the workmen are cooler inside than outside. I know that in building factories over there they build them with brick and ventilate them thoroughly, so that men are more comfortable in the shop than outside of it. I admit, however, that our workmen are more robust and more able to stand fatigue.

795. Is it a calculable item?—It should be taken into account, no doubt.

796. Do you consider our labour legislation here has been materially beneficial to the industries or not?—Up to the present it has hurt us to some extent; but we will get over that. In some places where the price of labour has gone up we have had to study it, and have machines to make up for it in some way or other. But so far in our industry—the metal industry—it has not injured us much. In any cases we have had the decisions have not made the men better off. We had a decision the other day by the Conciliation Board for the boilermakers. It is no disadvantage to us. The men were as well off before as they are now. There were some alterations made, but technically there are but little differences.

797. There is a tendency to avoid strikes, is there not?—Yes; and that is one thing I admire in the Act. There is no necessity for strikes now. We all know that strikes mean a loss not only to the men, but to the community at large.

798. Do you think, on the whole, the position of the trades, both for the employer and the men, has been improved, or has it been the reverse?—I think the Conciliation Board and the Arbitration Court have been an advantage to the trade, and that their decisions will do good, so long as they are carried out properly. Sometimes they make mistakes, of course; and sometimes, too, the men make mistakes in going to the Conciliation Board without reason; but that rectifies itself. The ironmoulders who went to the Board the other day were well enough off before, and the Board proved it, because the men are not better off now. There were some trivial differences, but it was not worth while troubling the Board with them.

799. Why will Australia be able to defeat us in the manufacture of dredges in a year or two—an industry that was created in this country?—At the present time they have larger appliances, they get iron cheaper, their coal is cheaper, and their labour is cheaper; and all we have against those points is 5 per cent. duty and the freight, which is not enough. In some cases our tenders have been lower than theirs when we have come into competition, and now we are pretty well on a level. Sometimes they come in and sometimes they are out, just as we are among ourselves.

800. All these objections seem to me to deal with the question of to-day only?—Yes.

801. What do you imagine the manufacturing industry will be worth fifty years hence?—Well, a bird in the hand is worth two in the bush. We see the paradise coming; but, for myself, I do not want to hand away our birthright until I see something better.

802. *Mr. Luke.*] In looking at the question of federation, is it not advisable to consider the two interests—viz.; the produce of the soil as well as the manufactures of our factories?—Yes, I think so.

803. Are you aware that we export over a million a year in cereals to Australia?—I do not know exactly what is exported.

804. In considering this question, then, you put as a set-off the great interests of the manufacturing classes?—Yes.

805. Do you know the extent of these interests?—No. I have not seen the figures for some time. I know they have been on the increase, but to what extent I cannot say.

806. Then, you would not be surprised to find from Government returns that in 1895 we employed in our factories about twenty-eight thousand persons; that the wages paid were about £1,907,592; that the value of the work turned out was £9,549,360; and that the value of the machinery and property involved in manufacturing was £5,796,017. Now, allowing for the great