

different. We have Acts like the Arbitration Act, which, to my mind, is not advantageous to the industries of the colony. It is forcing up prices of production to such an extent that the outside markets of the world are coming in strongly against us. Australia has not got that Act, and whether they get it or not is a question immediately affecting us.

1137. I suppose you are aware that the Federal Parliament has power to make laws in respect to conciliation and arbitration?—No; I have not studied the Act.

1138. *Mr. Leys.*] I suppose you know that manufactured goods—re-exported goods—of the value of about £1,300,000 come in here from Australia now?—I have not studied the figures, but no doubt they are correct. Re-exported goods come here transhipped from Sydney and Melbourne, probably American and Eastern goods and a considerable quantity of German goods.

1139. Do you not think the Australian business in re-export goods would be largely increased under federation?—No; because I am inclined to think that federation would tend to reduce the New Zealand freights to the level of Australian freights, and increase our shipping facilities.

1140. We had it stated in evidence here to-day that warehousemen would have to remove to Australia under federation, because the larger centres, the larger local markets, and better facilities for clearing surpluses would give them a dominating power under free-trade?—That raises the question, Are our commercial classes going to take a two- or three-weeks trip to buy their goods, or would the cost of sending travellers with samples here be greater or less than the cost of keeping stocks here?

1141. What is your opinion on that subject?—I have not any very definite opinion. I suppose at the present time there might be a disruption. We might have to alter our system of trading to meet such a competition.

1142. We had evidence in Invercargill from one of the tradesmen there in the iron trade that at present he could buy as cheaply from Wellington as from Australia; but do you not think that if there were free-trade with Australia he could supply himself better from Melbourne?—I do not know about the iron trade; I should not think there would be any very great difference. There is the freight and general shipping charges to pay between the two places, which would always be something to be taken into consideration.

1143. Is there any advantage in buying for a large population?—Naturally.

1144. Are not English prices lower?—But then comes in the question whether the goods bought for the Australian market would suit the New Zealand market. If they would, there is nothing in that argument. My conclusion about the whole matter is that I do not see that New Zealand is ripe for federation with the Australian Colonies, and, though my conviction is that sooner or later it will come, for the next fifty years I do not think we shall be ripe for it.

1145. *Hon. Major Steward.*] If New Zealand joined the Federation, and the tariff on ready-made imported clothing, which is now subject to a duty of 25 per cent., were reduced to 12½ per cent., how would that affect our workers here?—I cannot speak with great authority, not being a manufacturer of clothing; but I am inclined to say that in that case, under the present conditions of labour, we might be materially and detrimentally affected.

1146. *Hon. the Chairman.*] Can you tell us what is the relative price for making a pair of trousers, apart from material, in Melbourne and New Zealand?—I cannot say, but I am inclined to think it is greater here than in Australia.

1147. *Mr. Beauchamp.*] Would you be surprised to know that in Australia, either in Sydney or Melbourne, a slop pair of trousers can be made for 9½d., as against 1s. 9d. here?—I do not know that it would surprise me, because I regard the conditions of labour here as against the low cost of production. I do know that the aggregate wages are very much higher here, and that the conditions of labour generally tend to a greater cost of production.

1148. *Hon. the Chairman.*] If it is true that a labourer gets 9½d., can that be considered a fair living-wage?—That entirely depends upon a man's ability to earn a wage. I should want to know if the article at 9½d. had been produced by machinery as against hand-labour in the case of the other before giving an intelligent reply.

1149. I want to ascertain whether there would be a chance of the workers in New Zealand competing with the workers in Australia in such a branch of manufacture?—There, again, comes in the question of the conditions of labour. If a man is going to work forty-eight hours a week here, and you have there men working fifty-four hours a week, the question answers itself. The whole matter depends on the ability of the man who works with the machinery to get the best out of that machinery—no limitation of output, equal hours of labour, and the working of the machinery for all its worth.

ALFRED LEON ISAACS examined. (No. 29.)

1150. *Hon. the Chairman.*] What are you, Mr. Isaacs?—Manager of the New Zealand Clothing-factory in Dunedin. I have been twenty-four years in New Zealand, and have not resided in Australia.

1151. Are the operations of your establishment pretty considerable?—Yes.

1152. What do you think would be the effect upon the manufacturing industries of New Zealand federating with the Australian Commonwealth?—As regards our own industry—namely, clothing-manufacture, shirt- and cap-making—under the present conditions and hours of labour, and the fact of there being a log so much higher than the wages paid on the other side, I should imagine federation would prove detrimental to our industry. Until the hours of labour and rates of pay were adjusted we would certainly be at a considerable disadvantage.

1153. Would that remark apply fairly to any other industries besides clothing?—From what I heard here this morning, it seems to apply pretty generally to the manufacturing industries.

1154. *Mr. Leys.*] Do you think that wages must either come down here or go up in Australia, or you might have to shut up your factory under federation?—I would very much rather prefer to