

1670. What are the principal items that New Zealand can export to New South Wales?—I think the returns speak for themselves. I will leave that to statistics. It is considerably over a million.

1671. Have you considered the political aspect of the question?—I have. I am a student of such questions, and I regard the Constitution of Australia as the most democratic Constitution of its kind known to the world, and to say it is not to be interpreted nor understood is a foul libel on those who conceived it. It is an admirably conceived political instrument, and provides for every reasonable contingency. The States are supreme within their own borders in certain respects, and the Federal Legislature has the oversight of certain matters towards which we were naturally drifting by the constitution of the so-called Federal Council. There were certain large matters annually dealt with there. It is only the transference of authority from one body to the other.

1672. Do you think the present Constitution of the Commonwealth of Australia is an improvement on the Federal Council?—A great improvement—an improvement to an extent that cannot be measured in words.

1673. What political advantages would New Zealand gain by joining the Commonwealth?—Of course, the question of terms arises at once. As the Constitution is framed, we cannot enter as an original State except within a given time. There are several things that will have to be rectified, no doubt, and I think it is to be regretted that New Zealand was not represented at all the Conference Conventions. Our power for good was admitted, and the gentlemen who were sent over in 1891 were recognised authorities on matters political and constitutional, and carried great weight in that Convention, and would have done so in successive Conventions.

1674. New Zealand could not now enter as an original State?—No.

1675. Do you think, then, that New Zealand should enter at all under the circumstances?—I think so. From what I know of the public men of Australia, and of those who will occupy the foremost places in the first Federal Parliament, they will treat New Zealand on exceedingly liberal terms. They have said publicly—and we should not doubt their sincerity—that they will extend the right hand of fellowship to New Zealand, and will take no advantage of her exclusion from the original-State clause of the Constitution. I do not see why we should be distrustful.

1676. Do you think it likely that New Zealand would be admitted on the terms of an original State?—I would go further, and say my deliberate opinion is that she would be admitted on the same terms as though she had entered with the original federating colonies.

1677. Possibly you have read the evidence given before the Commission by persons connected with trade and manufactures?—Yes. It is evidence I expected to be given from a manufacturer's standpoint. Doubtless I should be in sympathy with it if I were a manufacturer, but I refuse to believe that the prosperity of New Zealand is indissolubly bound up with our manufactures. There are other things that make for national prosperity that have not been considered in the matter yet.

1678. To what do you refer?—Largely to our agricultural and our mineral products.

1679. Agriculture was considered to some extent in Invercargill?—To a very limited extent. I heard one witness declare that if the industries suffered the prosperity of the colony would vanish. That is all "buncombe." New Zealand is not made of that material.

1680. What do you think would be the effect on the finance of the colony if we joined the Commonwealth of Australia?—Everything depends on what the tariff of the future is to be.

1681. You know that under the present Constitution the Customs revenue would go to the Federal Government?—Yes; and in return for that the Federal Government undertake certain large duties which have to be paid for.

1682. And the result would be that New Zealand would part with a considerable portion of the revenue which is raised now by indirect taxation?—Yes. To counterbalance that the Commonwealth would, I think, obtain money for reproductive purposes at a much lower cost, and so set off the loss in that way.

1683. Do you think the Commonwealth would borrow money for reproductive works in the different States, apart from works which are essentially works of the Commonwealth?—I do not go that far, but I take it the Commonwealth would go on the London market for borrowing purposes. Much as I think our own Legislature ought to have gone on the market and borrowed for all purposes of a public nature, and so eased the burden on the local authority, I have always contended that it was the duty of the State to raise all moneys required for expenditure within the colony, and lend them to our local bodies, subject to proper supervision, and a check on local expenditure such as obtains in the Old Contry. If that had been done the taxpayers would be greatly benefited, and the public would receive a great advantage.

1684. Have you considered the matters relating to the judiciary and the constitution of the Federal Court of Appeal?—I can only express an opinion from a layman's point of view. I may say I do not know why all these matters should be referred to London for final settlement. Our judiciaries are all sound lawyers and able jurists, and I consider that the Federal Court of Australia could settle questions as well as the Privy Council. I oppose the colony sending everything to the High Court in London.

1685. On the whole, then, you think that federation would be an advantage to New Zealand?—Subject always to the reservation that we know what we are to get in return, and that certain things are rectified before we join. For instance, there is no provision for our aborigines being represented. Then, I would be averse to any dislocation of our industries. No tariff can come into operation within two years, and I am exceedingly doubtful if it will be brought on the board ready for adoption by the Federal Parliament in that time. We should be given the same time as was accorded to Westralia—say, six years—before our tariff is superseded by the Federal tariff.

1686. *Mr. Luke.*] Do you regard the prosperity of Dunedin as being derived more from the agricultural or from the manufacturing industry?—I am not looking at the matter from a Dunedin