

manufacture of agricultural implements; but the latter would come in under the head of engineering.

118. *Mr. Aitken.*] What about boots and the furniture trade?—Certainly the boot industry requires more protection, and undoubtedly the furniture trade also. The Industrial Association set up several committees to deal with the Customs tariff in order that it might forward its views to the Government, and during the sitting of the Furniture Committee one furniture-manufacturer in this city, when asked what his views were, expressed himself as follows: "Take off more duty." Well, as an industrial association we were surprised at that answer, but he explained what he meant in this way: that it would pay him better to import his furniture, and he had come to the conclusion that it would be better to dismiss his hands and do away with the local manufacturing, because the industry is not sufficiently protected, and he would be able to make better profits by importing.

119. *Mr. Hardy.*] Was that a Canterbury man?—No, a Wellington man—a Mr. Williams by name, and a very good workman too. But we drew his attention to this: that if more duty were taken off imported furniture we should have to compete with the Eastern trade—with the Japanese and Chinese labour—and he then said, "I did not think of that: I will take back all I said."

FRIDAY, 28TH SEPTEMBER, 1906.

W. T. GLASGOW, Secretary of Customs, examined. (No. 10.)

1. *The Chairman.*] We are quite ready, Mr. Glasgow, to hear anything you have to say bearing on this proposed agreement. I think it is the desire of the Committee that you should show us as far as it is possible—because we understand it is mere speculation on your part—what effect the proposed treaty would have upon our revenues. We should also like to have any conclusions which you have arrived at with regard to the influence the treaty would have upon our trade?—Well, I have had a return prepared giving an estimate in the case of each item affected by the agreement; but in some cases it has been extremely difficult to make any estimate as to what effect the agreement would have on the revenue in Australia and New Zealand, and I must confess that these figures are merely approximate. However, I should like to place them before the Committee for what they are worth. The total net result is that Australia would gain £121,930 and New Zealand would lose £165,090. With reference to Australia gaining such a large amount of revenue, I might say that it arises from the fact that the duty is increased against foreign countries. This return shows the importations into Australia from all sources in the case of each item, and we have endeavoured to estimate as nearly as we can what quantity of New Zealand produce would supplant that from foreign countries entering into Australia, and we have calculated the approximate loss of revenue in Australia accordingly. Then, with reference to the large loss accruing to New Zealand owing to the agreement if it is carried out: that arises from the item sugar principally. We have assumed that all the sugar consumed in New Zealand will be Australian produce, owing to the influence of the £4 13s. 4d. per ton in favour of Australia. In the case of timber, the Australian rates are raised against Oregon timber and timber of other kinds from 6d. to 1s. per hundred superficial feet, and we have made an allowance on the supposition that about 18,000,000 ft. will go into Australia more than is going there at present—that is New Zealand timber. But notwithstanding that, the gain of revenue to Australia will be very large, as will be seen by the return. I do not know that I have anything more to say; but I should be very glad to answer any questions which may be put to me upon particular items.

2. *Mr. Hanan.*] What do you say the loss is with regard to sugar?—£186,000. That is the whole revenue for 1905 practically.

3. Can you give us shortly the main items of gain to New Zealand?—Well, there are candles. The rate of duty is raised from 1d. to 2d. per pound.

4. That would amount to a total of what?—At present we get from Australia 25,000 lb. of candles, as against a total imported into New Zealand of 2,415,000 lb. Our estimate is that the importation of candles from Australia will increase by 250,000 lb., or ten times the present quantity, and there will be a gain in revenue to New Zealand of £9,000. Of course, the 2d. per pound may encourage local manufacture, but that is really a point which I do not feel competent to go into.

5. It is problematical?—Yes.

6. What other items are there in the way of gains to New Zealand?—There is a large item of gain to New Zealand in milk (preserved). We get from Australia 2,354 lb. weight, and I do not think it is likely that we should get any more. Therefore the increase to 25 per cent. would be a clear gain to New Zealand of £2,500 revenue.

7. Do you anticipate any benefit to the milk-preserving works in New Zealand?—Yes, undoubtedly. I think so.

8. What is the next item?—Soap, perfumed. We estimate the gain to New Zealand at £13,000; but the importation into New Zealand at present is comparatively small. The proposed rate of 6d. will be much higher than the present rate of 25 per cent.

9. That is in the interest of New Zealand, or Australia?—I am inclined to think it is in the interest of Australia. Those are the principal items of gain. There are some others—for instance, hops. The duty is increased from 6d. to 1s. per pound as against foreign countries. This will be a gain to New Zealand of about £800.

10. Then, as to grapes?—Grapes are to be admitted free into New Zealand; but grapes are free under the present tariff, although they are prohibited.

11. Before we pass away from the item sugar, I might say that there is a general feeling throughout the country that we should make sugar cheaper to the people. Can you see any way