

SESSION II.
1906.
NEW ZEALAND.

EXTENSION OF COMMERCE COMMITTEE

(REPORT OF THE) ON THE PROPOSED RECIPROCAL AGREEMENT BETWEEN NEW ZEALAND AND THE COMMONWEALTH OF AUSTRALIA, TOGETHER WITH THE MINUTES OF EVIDENCE.

(MR. T. MACKENZIE, CHAIRMAN.)

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, 24TH DAY OF AUGUST, 1906.

Ordered, "That a Committee be appointed, consisting of ten members, to inquire into and report as to the best means of promoting the commerce of the colony and the sale of the colony's produce in markets other than those at present obtainable; the Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Aitken, Mr. Barber, Mr. Bollard, Mr. Hanan, Mr. Hardy, Mr. Hogg, Mr. Laurenson, Mr. T. Mackenzie, Mr. Seddon, and the Mover."—(Hon. Sir J. G. WARD.)

THURSDAY, 30TH DAY OF AUGUST, 1906.

Ordered, "That Paper 99A, Reciprocity Agreement between New Zealand and the Commonwealth of Australia (A.-7), be referred to the Extension of Commerce Committee, to report within one week."—(Hon. Sir J. G. WARD.)

TUESDAY, 4TH DAY OF SEPTEMBER, 1906.

Ordered, "That an extension of time from the 6th September to the 20th September be granted to the Extension of Commerce Committee within which to bring up the report of Paper 99A (Reciprocity Agreement)."—(MR. T. MACKENZIE.)

WEDNESDAY, 19TH DAY OF SEPTEMBER, 1906.

Ordered, "That an extension of time from the 20th September to the 27th September be granted to the Extension of Commerce Committee within which to bring up the Report on Paper 99A (Reciprocity Agreement)."—(MR. HANAN.)

WEDNESDAY, 26TH DAY OF SEPTEMBER, 1906.

Ordered, "That an extension of time for another week be granted to the Extension of Commerce Committee to report on the Reciprocal Treaty with the Commonwealth of Australia."—(MR. T. MACKENZIE.)

REPORT.

THE Extension of Commerce Committee, to which was referred the draft of the proposed Reciprocal Treaty between New Zealand and the Commonwealth of Australia, has the honour to report that it has carefully considered the proposals in the said treaty contained, and has taken evidence thereon; and, while recognising the desirability of promoting reciprocal trade relations between New Zealand and Australia under mutual advantageous conditions, regrets that it is unable to recommend the ratification of the treaty submitted, on the ground that any advantages which would accrue to this colony would, in its opinion, be outweighed by the sacrifices involved.

2nd October, 1906.

THOS. MACKENZIE,
Chairman.

MINUTES OF EVIDENCE.

THURSDAY, 6TH SEPTEMBER, 1906.

WILLIAM EVANS, Grain-merchant, Timaru, examined. (No. 1.)

1. *The Chairman.*] In hearing evidence in connection with the important question before us, we have decided to hear the Millers' Association first, and the Committee desire as far as possible one representative of each interest affected to voice the opinions of the whole. I take it that you, at any rate, voice the opinions of the members of your association. After you have given your views a few questions will be put to you by various members of this Committee. We shall now be glad to hear what you have to say with regard to the proposed reciprocal treaty, and how it affects your interests?—I can only say, on behalf of the millers and the grain-merchants of the colony, that this reciprocity treaty, if given effect to, would be very injurious to our interests. The great mind which formulated these proposals is now at rest in the grave, and I feel satisfied that had my old friend Mr. Seddon been with us to-day he would, after explanation, have seen this matter in a different light so far as the grain and flour business of this colony is concerned. His object, no doubt, in making this proposal for a reciprocal treaty was to cement the friendship between the Australian Colonies and New Zealand. I presume that that was the great motive underlying the proposal, but there are so many far-reaching difficulties in the way that it would be almost impossible to satisfy everybody. I hold that it is a piecemeal sort of arrangement, and that if we were going to have intercolonial free-trade with preference to British goods it would be a very different matter. In that case it would alter the whole phase of the subject. Now, last year, according to an article in last night's *Evening Post*, there was £306 collected for duty on 6,126 centals of wheat. If New Zealand is made a free port hundreds, or perhaps thousands, of tons of flour will come in from Australia every year, except during periods of drought. The Australian wheat undoubtedly, we must all allow, is of a superior quality to our own. It is a harder wheat, and is earlier-matured owing to the difference of climate, and can be produced in rainy seasons much cheaper than in New Zealand for several reasons. For instance, say, three hundred miles inland from Adelaide land can be obtained at from 5s. to 10s. per acre, as against £15 to £20 an acre in New Zealand for good agricultural land. I see that the writer of the article I referred to mentions that we have 30 bushels of wheat to the acre in New Zealand, as against 10 to the acre in South Australia. Well, the conditions are so different in South Australia from those in New Zealand. I have heard Mr. Darling, who was the largest grain-merchant in Adelaide, say that sometimes they send their vessels two or three hundred miles along the coast, and grain which is growing in the field at night will be cut and put into bags and shipped to England the next day. They have machines in use there that will cut, winnow, thresh, and put the grain into the bags in one act. One of these machines will do about 35 acres a day. With the low price of land there, and working under such conditions as I speak of, it is, of course, very different from what happens in this colony. In New Zealand we have a humid climate; the wheat when it is cut down has to remain perhaps for weeks before being put into stack. In fact, in ordinary seasons stook-threshed wheat is not fit to grind—has to be put into the stack, and may perhaps remain there for two or three months. All these things have to be considered, and outsiders are not perhaps acquainted with them. Bran and pollard are much more saleable in Australia than they are here, and they command a much higher price than in New Zealand. The writer in yesterday's paper, whom I have before quoted, suggested blending our wheat with that of Australia. That, no doubt, would be very desirable; but, of course, every bushel of wheat imported here would be against the interests of the farmers, because there would be so much less to grow for the requirements of the colony. The farming interests, I contend, are very important. The wages paid amount to a large sum yearly, and a great deal of money is expended in carrying on the industry. If farmers are not successful the country is not successful; I look upon farmers as being the backbone of the colony. Wheat in New Zealand, up to the time of this rumpus, has been selling at from 3s. 4d. to 3s. 6d. per bushel f.o.b. in Canterbury, as against 3s. 2½d. in Australia; while the wheat there is sold bags free ours is sold with the bags extra, and this adds to the cost by 1½d. a bushel. Every ton of flour imported means a decrease of 48 bushels of wheat and upwards against the New Zealand farmer—that is, when the bran and pollard are taken into consideration. The price ruling for wheat in the United Kingdom is £1 8s. per quarter for New Zealand wheat—I think the present price will be £1 9s. or £1 9s. 6d. for Adelaide wheat—and our wheat would not bring the same price. I question very much whether we should get more than £1 7s. 6d. to-day. With all expenses paid that price ruling in the United Kingdom would only leave the New Zealand farmer about 2s. 8d. per bushel, as against the 3s. 4d. per bushel f.o.b. in Canterbury to-day. I as recently as to-day met Mr. Gow, the Government Trade Commissioner, who has just returned from Hong Kong, and he told me that American flour is now being delivered in Hong Kong at £7 5s. per ton, so that, so far as our exports are concerned, New Zealand has no chance of competing either with America or Australia.

2. What is your price to-day?—We are all in a state of *statu quo*—I suppose you would call it. There is no one buying, and we do not know where we are. All the millers will make a great loss if this proposal is agreed to, but next year and afterwards the farmers will make the loss—that is, if the £1 duty is taken off—because the farmers cannot grow wheat to sell at 2s. 8d. a bushel. The writer in the *Post* I have referred to says the competition of Australia would weed out the superfluous mills in the colony. Well, there are seventy-five mills, big and small, in the colony, and he takes very little notice of what would be the position of the small millers after what he calls the weeding-out had taken place. The savings perhaps of a lifetime would be lost, and this result is passed over by the writer in the *Post* as a mere nothing, while 15s. an acre loss on a farmer's crop, according to his idea, is a mere detail. For these reasons I hold that reciprocity, so far as wheat and flour are concerned, would not be desirable for the people of New Zealand. I have a telegram in my pocket showing that the price of bread in Sydney is 6½d. per 4 lb. loaf, as against 6d. the 4 lb. loaf in New Zealand, although over there they are selling their flour at £7 10s. a ton, as against our price of £8 10s. less 2½ per cent. discount. That goes to show that the people here have not to pay more than they do elsewhere, and that bread under the circumstances is really cheaper here than it is in Australia.

3. *Mr. Aitken.*] You say that the price of land—that is, freehold land—in South Australia where wheat is grown is from 5s. to 10s. an acre?—I have been told so. It may be some distance back. From 5s. to 10s. an acre as against from £15 to £20 an acre in Canterbury for the best agricultural land.

4. You are quite sure that the 5s.- to 10s.-an-acre land is not the worst of the land?—No; but it is away in the back country—say, three hundred miles from Adelaide. The farmers there grow one or two crops on their land and leave it, and go further back. That is what Mr. Darling told me. Land may be higher there within the last year or two.

5. You said something about introducing the harder wheat of Australia to mix with the soft wheat of New Zealand: what proportion of hard wheat could you mix with the New Zealand wheat?—That was the suggestion of the writer in the *Evening Post* last evening. I hold that it would be a very dangerous experiment to bring Australian wheat in at all, because the bread we now make satisfies our community. I do not think it desirable.

6. Would it be better for the consumers?—The bread consumed here now is quite wholesome.

7. My point is this: would it improve the bread?—It might. The tendency would naturally be in that direction; if we get good seasons here and the wheat is matured, after a few months it is quite equal to Australian wheat. In the limestone districts especially is this the case, and it is only at the beginning of the year when the wheat is damp that there is much difference. We generally keep back a few thousand bags of the matured wheat to mix with the early-grown wheat.

8. Have you ever gone into the question of how much it costs in labour to put the wheat on the market here as compared with the cost in Australia?—I believe the representatives of the Farmers' Union are going to give evidence here, and I dare say they will give you all the information that you require on that point. My opinion would not be so good as theirs.

9. *Mr. Hardy.*] Are the growers of Australia more favourably situated, so far as moisture is concerned, than they are here?—Most certainly, when, as I say, they can strip the wheat and bag it within so short a time.

10. Do they do anything to induce moisture?—I do not think it is required.

11. You have to dry your wheat in damp seasons in New Zealand, have you not?—We have to keep it in store and mix it with drier wheat. Some wheats may be slightly damp, and we could not mix the damp wheat if we wished to make good flour.

12. You have not heard of a firm importing machinery from Australia to put moisture into the wheat in dry seasons?—No. I have seen that they have washing-machines in England, but they are used only when the wheat is hard as flint and mixed with dirt. Our wheat does not require anything of the sort.

13. You think the miller of Australia is more favourably situated in consequence of the growers having dry land to deal with?—Most certainly.

14. He does not have to hold the wheat until it is dry?—No; he can take it almost direct from the field and grind it into flour.

15. *Mr. Hogg.*] Are you certain that New Zealand wheat fetches a smaller price in the English market than Australian wheat?—Yes.

16. You are prepared to contradict the information which has been supplied to me on this point?—I never expect to get within 2s. of Australia in the price.

17. Are you still shipping wheat to England?—I shipped last year.

18. Seeing that we export a large amount of wheat, and that the farmers produce little more than is consumed by the millers here, do you think a decreased consumption on the part of the millers would affect the farmers?—Most decidedly. If the farmers have to compete with flour at the price it is in Hong Kong we could not compete.

19. But if the farmers are able to grow wheat for export to the London market, do you mean to say that the millers give a higher price than the exporter?—They cannot help themselves. The farmers are holding out for 3s. 4d. and 3s. 6d., but if this reciprocal proposal was agreed to they would have to reduce their price to compete with the wheat from other countries.

20. Within the last fortnight have not the prices in New Zealand been the same as those in Australia—is there any material difference between the price of wheat here and the price in the Melbourne and Sydney markets?—Most decidedly. If the price were such as to enable the Australian people to export wheat to New Zealand—instead of paying £300-odd duty, they would be able to export much larger quantities if the duty was taken off.

21. I want facts and figures. Is any reliance to be placed on the prices given in the local and Australian papers?—I cannot tell you. I can only tell you that the price is with bags in there, but the bags here are extra.

22. There is a difference of 2d. per bushel in the price here and that of Australia?—About 2d.

23. Can you tell us what the difference in price is in flour in Australia?—It is quoted there at about £7 10s., while the price of bread is 6½d. per 4-lb. loaf. Here flour is quoted at £8 10s., and the bakers are selling bread at 6d. the 4 lb. loaf, so that the consumer does not suffer.

24. Where is flour being sold at £8 10s.?—That is the f.o.b. price in Canterbury.

25. There is a difference of £1 between Australia and New Zealand?—Yes. I received a telegram here to-day to say that the price of flour over there is £7 10s. a ton.

26. If I produce a letter from a baker in business here—a Mr. Taylor—stating that he has to pay £9 10s. for his flour, what would you say?—I do not know what the price is in Wellington—I am speaking of the f.o.b. price in Timaru.

27. I am speaking of what he has to pay for it?—I cannot tell you about that. I am only giving you the f.o.b. price in Canterbury. There it is £8 10s. less 2½ per cent., and freight here is 7s. 6d.

28. Are you aware that an average of a million bushels has been sent to England for years past?—That is very likely.

29. Do you think the farmer would ship to England if he could get a fair price here?—I ship it myself.

30. Are you not aware that the price of wheat here is regulated by the London market?—Most decidedly it is.

31. Do you say that the flour-millers here give more for wheat than the exporter?—There is no wheat being exported now.

32. There was about a million bushels exported?—Not this year.

33. That is for the year 1904?—It varies every year. I think there was about a million bushels more grown that year than this year.

34. In 1904 the figures were 813,535 bushels?—If our farmers have a good crop they must get rid of the wheat somewhere, and they have to ship Home and take their chance of making a loss or a profit; but farmers will tell you that some years they make heavy losses.

35. You say there are about seventy-five flour-mills in the colony?—Yes, roughly speaking.

36. Do you know, roughly, what the amount of wages paid is?—I pay about £60 or £70 a week, according to my wages-sheet.

37. Do you know what other people pay?—No. Their output is restricted, because it was ruination before, when we were losing money by every shipment. They cannot now run their mills more than eight hours a day, in place of the twenty-four they were able to run before.

38. According to the statistics we have, the amount paid in wages has not reached £50,000 a year?—So far as I am concerned I can send my statement of wages paid, and you will find it is over £70 a week.

39. Can you tell me approximately the quantity of flour produced by the millers and sold in New Zealand?—You will find all those details in evidence in what was called the Taylor inquiry.

40. About 800,000 tons was the evidence given at the inquiry?—I did not say that.

41. I presume you will admit, considering the increased population, that the quantity has not been diminishing in any way?—I should not think so—it would be the other way about. But the number of mills has decreased.

42. I presume, under any circumstances, even when the duty is abolished, that the millers will still have the advantage of the freight and charges incurred in bringing flour from Australia?—I believe the Union Company will carry at a lower freight from Australian ports than from Timaru to Auckland. We have to pay about the same rate of freight in sending flour from one New Zealand port to the other as from Australia to New Zealand.

43. I presume you could have flour-mills established near the centres of consumption?—There is very little wheat grown in this North Island. I think the Auckland mills have to get nearly all their wheat from Canterbury.

44. Assuming that the difference is £1 a ton between the price of flour in New Zealand and Australia, that means that the consumers in this colony have to pay at the very least £80,000 more than the consumers in Australia?—I am informing you now that the price of bread to-day is cheaper here than in Australia.

45. Where did you get the information—from that telegram?—It was just put into my hands when I came along here.

46. Will you lay it on the table?—Yes. I also saw Mr. Gow, and he informed me that they were sending flour from America to Hong Kong at £7 10s. a ton; and we cannot compete against that.

47. If the bakers here are able to pay £1 more per ton for their flour than they do in Sydney and only charge 6d. for the 4 lb. loaf, whereas in Sydney it is 6½d., do you not think there is an extraordinary difference in the profits?—Perhaps there is more competition here.

48. *The Chairman.*] The total amount of wheat exported to Great Britain was only 200,000 bushels. The question has been raised by Mr. Hogg as to the difference of £1 between the Australian price of flour and the price here: what is the difference in the production of loaves of bread per ton of Australian flour and per ton of New Zealand flour?—I should say three or four loaves per sack of 200 lb.

49. *Mr. Bolland.*] Do you know anything about Indian wheat and what the price is, put on board?—No, it is rather a dirty wheat, and has to go through a washing-machine. They mix the Indian wheat in Great Britain.

50. Are you aware that the Native labour can put it on board at 9d. a bushel?—That might be. The question of labour is a very important one. In Australia you can get a good farm hand at 15s. a week, while here he will cost you £1 5s. a week. They are getting Manitoban wheat in Sydney and mixing it with Australian wheat. The Manitoban wheat is very much stronger than the wheat here. Our wheat is large in the grain, but weak.

51. *The Chairman.*] Are you giving evidence on behalf of the whole of the flour-millers of the colony?—I have been asked to represent the flour-millers here to-day.

52. There is about 3s. 6d. required for wharfage and other expenses in addition to the £8 17s. 6d. for flour here from Canterbury?—Yes.

JAMES MCGILL, Flour-miller, of Palmerston North, examined. (No. 2.)

53. *The Chairman.*] Will you state what you desire in connection with this question?—The price of flour f.o.b. at Timaru is £8 10s., less 2½ per cent. to the baker. The freight is 7s. 6d., wharfage 2s., cartage 1s. That is £9 0s. 6d. landed in Wellington. The member for Masterton was asking for the price of wheat f.o.b. here and at Home. The only authorities we can get are the merchants, who declare that New Zealand wheat does not bring the same price as the Australian, and this is a reasonable deduction as the baker cannot get the same return from the flour. The price of wheat to-day here would work out at 2s. 9d. a bushel. I myself bought Red Chaff, Tuscan, and Pearl, and it cost 3s. 5d. all round. The price paid by me is 8d. or 9d. a bushel more than if the wheat had been shipped Home. There is no doubt about that this season.

GEORGE WILLIAM LEADLEY, Farmer, Ashburton, examined. (No. 3.)

54. *The Chairman.*] I understand you represent the Farmers' Union?—Yes.

55. We shall be glad to hear what you have to say about the proposed treaty?—Speaking as a Canterbury farmer, I am satisfied that if the proposal to admit Australian flour into New Zealand free of duty is given effect to, a very large area of wheat-growing land will have to be devoted to other uses. That is as far as Canterbury and North Otago are concerned. When you speak of wheat-growing you practically speak of Canterbury and the district north of Palmerston South, including, of course, Oamaru. Of a total area of 258,000 acres of wheat grown in New Zealand last year, 240,000 acres were grown in Canterbury and Otago, with the addition of a few acres in the south. That means that if the proposal to admit Australian flour duty-free is given effect to, a very large area of this land will have to go into permanent grass or other crops—as, for instance, oats, in which the Southland farmers can compete with us owing to the climate being suited to their growth, and barley, for which the lands of Marlborough are so well suited. The three districts mentioned are specially adapted for these grains—Marlborough for barley, Canterbury for wheat, and Southland for oats, and if we in Canterbury have to grow more barley or oats than we usually grow, it will only injure these other people by depriving them of their market. It may be said that the wheat-area of Canterbury and North Otago will be occupied for the purpose of growing fat lambs. Well, to some extent, that is true, but not wholly so. The land is better fitted for growing wheat—that is, the heavier class of land—and in some seasons, particularly in moist seasons, we find in practice that lambs do not fatten readily on this class of land. I have land from which it is no unusual thing to reap from 50 to 60 bushels of wheat per acre. I did that this year, but in a wet season I cannot run ewes and lambs on it with advantage. I can run dry sheep on it, but not lambs. We have to wean the lambs, and fatten them on rape to get them away. Any land that costs £15 an acre will not pay to put permanently under grass unless for dairying purposes, and in our district the great difficulty is that people will not milk cows. We just keep a few cows for our own use, but dairying as an industry is practically non-existent in our district. There is very little demand for cattle—it is not a cattle country. In regard to the position as between us and the Australian farmer, as Mr. Evans pointed out, the farmers of Australia get their land much cheaper than we do. For some of my wheat-growing land I have paid £30 an acre. I am taxed on £21 as the unimproved value of it. In Australia they get their land very much cheaper, but I do not know anything about the prices mentioned by Mr. Evans. I have been told by men who have been there that land is very much cheaper—that is, for its first cost—over there than it is here. Then the cost of labour there is less than it is here. I pay my ploughmen £1 2s. 6d. to £1 5s. a week, and married men I pay more, and give them a cottage rent-free and other perquisites. Some time ago I had some information from Adelaide about the wages paid, and a return from the Government Bureau, which showed that numbers of men had been placed in the country at wages varying from 15s. to £1 per week. Well, we do not get our men at that price by a good deal. Then the system under which we work is more expensive. We have to plough our land twice—we never think of putting it under wheat until that is done. After the harvest and when we have taken the sheep off we skim-plough it over, and give it a couple of strokes with the harrow, and then it lies for two or three months, when it is again ploughed, harrowed, drilled, and harrowed again. We wait until the spring, when we roll it to consolidate the ground round the wheat-plants. The labour-cost of growing an acre of grain in Canterbury on the system we adopt, I should say, is pretty near four times that in South Australia. There they have the Sunshine Harvester referred to by Mr. Evans. That machine in one operation strips, threshes, winnows, and bags the grain ready for railage or export, and the capacity of the machine is 25 acres a day, with two men and four or five horses. When we come to Canterbury the cost of reaping, labour, twine, stooking, carting to the stack, stacking, and threshing is £1 per acre. The cost of harvesting a 30-bushel crop of wheat, put into bags in the paddock, is 19s. 6d. per acre. I do not know what the cost of harvesting the wheat in South Australia would be, but I should say only about 1s. 6d. My men get £3 a week on an average and their keep during harvest-time, and the cost with the Sunshine Harvester (I have had one of these strippers on my place stripping grass-seed) I should say would be about 1s. 6d. per acre. Then I must add that the cost of railing the wheat there (in Australia) is less. I am informed on fairly good authority that the cost of railing wheat over an equal distance in Australia runs out at about 30 per cent. less than it does in New Zealand. The taxes also are less. Our land-tax, Road Board rates, county rates, river-protective rates, charitable-aid rates, water-rate rates run into a lot of money in the course of a year. I believe that in Victoria the land-tax is not levied on areas

under 640 acres—that a farmer in Victoria can hold 640 acres of first-class land without having to pay any land-tax at all. Then, the entire cost of living on a farm there, including the ordinary requirements of a farmer, is considerably less than it is here. For instance, harness, clothing, boots, timber for fencing, &c.—all these things are cheaper to the Australian farmer than to the New Zealand farmer, which means that if they get an opening to our markets here they can practically go on growing wheat and wipe us out of existence. I would just like to point out this: that in Australia, through the fluctuations of the seasons, it is not always that they have a surplus to export, so that if we are forced out of the wheat industry you might see wheat, in consequence of a drought over there, up to 7s. a bushel here. They will not have any to spare, perhaps through a drought, and this will counterbalance what might be paid by the New Zealand consumer in a cheap year. I would also like to point out that there is no product of the soil which gives the same amount of work to our population as wheat-growing. A farmer requires so much work both in putting the grain into the land and taking it off, and it is nothing to see four or five hundred men at a time waiting about Ashburton for the harvest to begin. It affords a large amount of labour and employs a large number of people in the towns, and, generally speaking, it circulates a very large amount of money throughout the country. If we are going to import thousands of tons of flour into New Zealand, the money represented both by the growth of wheat and the manufacture of flour will simply flow out to Australia, and our own land will not be in such profitable occupation as it otherwise would be.

56. *Mr. Hogg.*] I suppose you have been a considerable employer of labour yourself?—I keep six men.

57. How much a week do you pay them?—From £1 2s. 6d. to £1 5s., with a £10 bonus at harvest-time. The wages to harvest-men run from £2 15s. to £3 and found.

58. Have you ever paid any man you employed £3 a week and his keep?—No, not that sum. I pay them a bonus. Their wages are approximately from £2 15s. to £3 a week; it depends on the length of the harvest.

59. Have you yourself paid those wages?—I have not paid extra men more than £2 15s. a week and their keep—that is, the additional men required during harvest.

60. *Mr. Evans* has told us that the average yield of wheat is 30 bushels per acre. Do you know if that is correct?—It may be in some seasons; it was not last year.

61. I see that, according to the Government statistics here in 1905, the total number of bushels produced in New Zealand was 9,123,673, and the average, instead of 30 bushels, was about 35½?—Yes.

62. You are not prepared to say that is incorrect?—I do not believe it for a moment.

63. I am depending on the Official Year-book for 1905?—Well, the Year-book in this respect is not worth the paper it is written on. If you take the average consumption and the seed-requirements of the farmers and what is exported, and go back a few years, you will find that there ought to be some millions of bushels stowed away somewhere. If those figures are correct we ought to have some twenty or thirty million bushels hidden away in some cave.

64. A contrast was drawn between what was produced in New Zealand and South Australia: can you give us any idea of how much per acre was produced over there?—The yields there are often very light, but still there are some very good yields.

65. In 1904 the average is given as 7½ bushels in South Australia?—Yes. I do not know their mean average, but it is considerably lower than ours.

66. *Mr. Hanan.*] What area of land do they have under cultivation in Canterbury—approximately?—There were 156,106 acres under wheat last year, according to the agricultural statistics published in the *Gazette*.

67. What other places are growing wheat, can you say?—It is grown in small quantities all over New Zealand. Eleven thousand acres of wheat was grown in the North Island, including Nelson, Marlborough, and Westland.

68. Have you ever increased the area of cultivation on your farm?—Yes; I have 600 acres in wheat this year, and had about 500 last year.

69. Are they going in more for wheat-cultivation now?—Not generally, but I have special reasons for growing more. I want more money, as I bought a farm recently.

70. How do your prices compare now with what obtained five years ago?—I think they are about the same. I confess that I could not get the price for wheat quoted to-day.

71. What was your price last year?—3s. 2d. per bushel. The highest price I ever sold wheat at was 4s. 3d., to go to Auckland. That is about five years ago.

72. *Mr. Aitken.*] The Farmers' Union have confined their evidence so far to wheat. I would like to know if other grains are affected by this preferential tariff, also such articles as cheese and butter. The evidence so far has been almost entirely confined to wheat?—The gentleman with me, *Mr. Cooper*, who is from the Wellington District, and *Mr. Middleton*, who is from the south, will be able to speak on other points. My district is not a dairying district, or only so to a very small extent.

73. *Mr. Bollard.*] You have stated it as your opinion that if flour is admitted to this colony duty-free a very large proportion of wheat land in Canterbury would go out of wheat-cultivation?—That is so.

74. What effect would that have on the labour-market of Canterbury?—I should say a very considerable effect. The quantity of labour on the farms would be very much reduced.

75. Can you give us any idea of the number of men who would be thrown out of employment?—I could not speak of that, but it would have a great effect on employment. There is nothing so well suited to lubricate the wheels of business as the wheat-market when in a good condition. When I go into town many business people stop me to ask how the wheat is getting on; and a good harvest makes a great difference to all branches of business.

76. But leaving out the question of the harvest altogether, you think it would affect the employment of labour all round?—It would undoubtedly.

77. *Hon. Sir J. G. Ward.*] You referred to the position of the farmers in Australia, and as to the rates they paid on the railways and in taxation: do you know whether a farmer in Australia nets as much for his grain at a seaport as a farmer at a seaport in this colony?—I think considerably more per bushel.

78. Can you tell the Committee whether the total charges before he gets his grain to the seaport are as great to the farmer there as to the farmer here, irrespective of labour?—I think, taking the rent of the land and the cost of transit, he would be a considerable gainer.

79. Do you know the average distance the meat or wheat is carried to a seaport in Australia compared with New Zealand?—I do not know.

80. Do you know that there are only about four ports in the whole of the Australian Continent where the farmers can get their meat or wheat carried away?—They are limited.

81. Would you be surprised to learn that the average number of miles grain and meat have to be carried to a seaport in New Zealand is under eighty?—I did not think it would be so great.

82. And that the average is 150 miles in Australia?—I am not surprised at that.

83. Under these circumstances, would you, as a practical man, think the rates would be as low per bushel of grain or per bale of wool in a country where they would have to carry them double the distance that they do in this country?—No.

84. That is a phase of the question that has to be coped with: As a matter of choice would you change places with an Australian farmer?—I have not been there. I have no reason to complain of the way in which New Zealand has treated me; but looking to the future, I think it is a serious thing which is involved in the tariff proposal, because I have my boys' interests to consider.

85. As a New-Zealander, if you had the opportunity offered upon equal conditions, would you change places with an Australian farmer?—I would like to have a look at the place first.

86. Do you know the quantity of wheat that is exported from Australia to all countries?—I cannot speak of that, because I have not the figures in my mind.

87. According to the records for the year 1904-5 we have Australian figures showing the total yield of wheat as 54,527,491 bushels, from which were exported in the year 1905, 24,647,998 bushels or 14,788,909 centals valued at £4,174,128 sterling. For the same period in New Zealand the value exported was £144,374, which represented 967,151 bushels. What would the effect be of a duty in favour of the country exporting to the value of £4,174,128, upon a country with an export of £144,374, supposing we were to give this concession of 9d. a cental?—I think the effect would be that we should cease to be an exporting country, and also cease to be a wheat-growing country. It would kill our export trade. If we could grow wheat for export and send it on to London, it would be an advantage in connection with our freights. We should probably get our imports cheaper. It might even reduce the cost of freight for our mutton and the cost in labour if the shipowners could get our wheat for "stiffening."

88. Why do you suggest that the statistics collected by the Agricultural Department for the Official Year-book are unreliable?—Last year I went to a great deal of trouble in arriving at the actual return, and came into contact with hundreds of farmers moving up and down the country. From my own observation I am satisfied that the estimated yield shown by the official figures was not obtained from the land. I do not mind saying that men come to me very often to make inquiries, and ask what I think about the yield, and I give them a rough estimate.

89. Are you aware that the representative of the district interviews the growers and asks what area of wheat they have under crop?—The officers leave the paper at the house. The particulars as to acreage are collected in the months of October and November, and the officers interview you if they run against you, say, in the saleyard, and ask what you think will be the yield.

90. As a matter of fact, the information, for what it is worth, is taken from the growers in some way or other?—Yes; but it is not worth much. When I give the yield of grain I include all the "seconds."

91. Of course, the figures are approximate, because the information has to be given before the grain is threshed?—Yes, often I think the best way would be to compel the threshing-machine owners to give correct returns of all they put through their machines.

92. I suppose, generally speaking, the information contained in the Official Year-book is very reliable?—Yes.

H. J. MIDDLETON examined. (No. 4.)

93. *The Chairman.*] You are a farmer?—Yes, at Waimahaka, Southland. I would like to say, speaking as one of the representatives for the Farmers' Union, that the reason why we specialise on wheat is because we recognise that that was the article in this proposed tariff that was going to touch the farmers of New Zealand the most. Very few of the other articles were of considerable consequence to us. That is the reason why our spokesman devoted the whole of his time to the matter of wheat. The few remarks I wish to make have regard to oats and potatoes. I do not think the farmers of Southland generally will be at all gratified if this proposal is agreed to, because they are getting such a small concession, which I believe amounts to $\frac{1}{4}$ d. a bushel, in the way of counterbalancing the loss. Oats are not now the all-in-all to Southland that they once were. The farmers there recognise that if they can only get 1s. 6d. a bushel on an average in price they do not pay, and that they can turn their land to better uses than the cultivation of oats. Therefore it is not now at all a vital question with them. They think they would conserve the fertility of their land by devoting it to some other purpose. With regard to potatoes, the people would be better off if the duty were removed altogether. In years of plenty we have to sell the potatoes at prices that other countries could not compete with, and the duty simply raises the cost to the consumer in years of scarcity without being of any great benefit to the producer. That is the general opinion of farmers in Southland.

94. *Hon. Sir J. G. Ward.*] What quantity of potatoes has New Zealand in any year available for export?—I cannot tell you.

95. Supposing we took our duty off potatoes, where should we get our supplies from?—The Australian States mainly, and, of course, some from the Pacific Coast.

96. Do you know the quantity of potatoes Australia exported in 1905?—No.

97. Do you know what the effect of taking off the duty on potatoes would be, and how it would be regarded by the Canterbury farmers?—The farmers of the Oamaru district would probably not take the same view that we do, because they specially go in for that product.

98. In an ordinary season you think it would not be fair competition with Australia, but in a dry season you think we could beat them?—Yes, and we have remits from various portions of the colony in which branches of the Farmers' Union ask us to endeavour to have the duty remitted.

99. *Mr. Hanan.*] Have the farmers discussed the question of taking the duty off potatoes?—No; it was decided to strike it out in view of the fact that the tariff was not likely to be dealt with this session.

100. What is the opinion of the farmers generally with regard to the duty on potatoes?—In my belief the opinion generally is in favour of abolishing the duty altogether.

G. SHIRTCLIFFE examined. (No. 5.)

101. *The Chairman.*] You are a merchant, I believe, Mr. Shirtcliffe?—Yes, I am a merchant residing in Wellington, and am here representing the Wellington Chamber of Commerce.

102. We should like you to be as concise as possible in what you have to say?—In speaking to-day I am not only endeavouring to represent my own views, but the views of the Wellington Chamber of Commerce as represented by its Council. We held a meeting a day or two ago at which the matter of this reciprocal treaty was discussed, and, after giving it very careful consideration, we passed a resolution which I might be permitted to read. It is as follows:—

Resolved, That the Council of this Chamber is strongly of opinion that the proposed reciprocal treaty between New Zealand and Australia should not be confirmed, as the suggested alterations in the tariff under it are in the interests neither of our producers nor consumers, and that New Zealand is being asked to pay an enormous price for a very small and uncertain benefit. The Council desires to point out that the preference proposed to be given to Australia is largely arrived at not by concessions off the present tariff, but by increased penalties on imports from countries other than Australia, as for example:—

	Present Duty.	Proposed Duty from Australia.	Proposed Duty from Elsewhere.
Bacon and hams ...	2d. per pound	2d. per pound	4d. per pound
Butter ...	20 per cent.	20 per cent.	4d. "
Cheese ...	20 "	20 "	4d. "
Candles ...	1d. per pound	1d. per pound	2d. "
Beans and peas ...	9d. per cential	1s. 3d. per cential	2s. per cential
Maize ...	9d. "	1s. 3d. "	2s. "
Oats ...	9d. "	1s. 3d. "	2s. "
Wheat... ..	9d. "	9d. "	2s. "
Oatmeal, &c. ...	1s. "	1s. "	1½d. per pound
Hops ...	6d. per pound	6d. per pound	1s. per pound
Malt ...	2s. per bushel	2s. per bushel	7s. per cential
Milk ...	25 per cent.	25 per cent.	2d. per pound
Onions ...	£1 per ton	£1 per ton	£1 10s. per ton

As regards sugar, the Council is of opinion that the proposed reduction of the present duty of ½d. per pound on imports from Australia would very probably not reach the consumer, as it would be comparatively easy for a combination of Australian sellers to raise the price against New Zealand to almost the extent of the ½d. per pound duty that would be retained against imports from other countries, while it seems very reasonable to suppose that the removal of the duty would entail the closing-down of the present refinery-works at Auckland and their transference to Australia, from which country the New Zealand requirements would then be supplied at a price that would probably show a very slight, if any, saving on present prices.

Potatoes: Under the treaty, preference is given to Australia by a duty of 20 per cent. *ad val.*, which is, on the basis of present values, equivalent to, say, £2 per ton, while imports from other countries are to be admitted at £1 10s. per ton.

Flour and wheat: The Council holds very strongly the opinion that the removal of the duty from flour would be the death-warrant of the milling industry in New Zealand, and consequently of the wheat-growing industry. The fact that flour is, under the treaty, to be admitted free, while a duty of 9d. per cential is still to be levied on wheat, seems to point to a determination to kill the flour-milling industry, which is much to be deplored.

There are other anomalies in the proposed treaty which the Council has not specially dealt with, but which are, in its judgment, open to grave objections from the point of view of the New Zealand consumer.

With regard to the possible combination of Australian sellers to raise the price of sugar against New Zealand to almost the extent of the ½d. per pound duty, I should like to say that I have since received rather a peculiar confirmation of the view taken by my Council. Yesterday I received from Australia quotations from the independent refineries—two out of the three I know of. The present quotation there works out 1s. or 1s. 6d. above the present duty-paid cost of Auckland sugar—that is to say, I could not import free from Australia on this quotation at as low a cost as I could buy from the Auckland Sugar Company. That was the lowest quotation—the other quotation was £1 15s. higher, so that it seems to me that already the independent refineries in Queensland quite recognise that if free-trade is put in operation between New Zealand and Australia

with regard to sugar they will have an excellent opportunity to bleed the New Zealand consumer. Consequently the £180,000 or so that it at present paid in duty to the New Zealand Government would be paid to the Australian producer, and New Zealand would receive no benefit from it. We think it also follows almost as a matter of course that if the duty on sugar is removed the Auckland works will have to be closed down. We can see no other result. The present company in Auckland practically obtains its supplies from Fiji, which is, of course, a British colony; but if this treaty is ratified the company will naturally close down its works in Auckland and transfer them to Australia, where they could manufacture the sugar in bond and ship it over to New Zealand duty-free. That seems to be quite clear, and not only shall we be paying £180,000 to the Australian producer with no advantage to our consumers, but we shall lose the advantage enjoyed by Auckland in having the Auckland Sugar Company's refinery situated there. With regard to potatoes, the opinion of our Chamber is very strong against the *ad valorem* duty, because potatoes are only imported when the price is high, when the tax becomes very irksome indeed. As far as I can gather, there are few sound potatoes in New Zealand available for consumption during the remainder of this season. It is to be hoped, however, that the next crop will be sound. We thought it well to point out the anomaly presented by the preferential duty to Australia being higher than that paid by countries outside. On the question of flour and wheat, I do not think I need speak at any length, because I understand that Mr. Reid is specialising on this matter. I might say that I am in entirely in accord with the resolution passed with regard to flour and wheat. It seems to me that if flour is to be admitted duty-free flour-milling in New Zealand must come to an end, and that very quickly. Those who know anything about the flour-milling industry in New Zealand are aware that there is no great profit to be made out of it, and it has taken millers all their time to make a legitimate margin of profit out of flour. If you take away the duty the only logical thing to do is to take the duty off wheat. Free flour with taxed wheat means a very large reduction in, if not the total extinction of, the milling industry. In reference to the other anomalies in the proposed treaty, I should like to say that we take it that one of the principal objects to be gained from a reciprocal treaty is the enlargement of the markets for our productions—that is to say, we should like under the treaty to sell to Australia larger quantities of our products. It seems to us, however, that in this treaty there is very little to increase the sales of our products to Australia. I do not know that we have ever exported bacon and hams to any extent, but if we could the duty of 3d. per pound to be retained in Australia is simply prohibitive, and the same remarks apply to butter and cheese. With a duty of 3d. per pound still against us in Australia, business in butter and cheese becomes simply impracticable. With regard to candles, we have to import quantities of these from abroad, and, therefore, what object is there in having a reciprocal duty? There is no use in putting that down as we cannot export them. The same remark applies to eggs—we import eggs from Australia and China. As to dried fruits, there are no dried fruits that could be exported from New Zealand, because we do not grow them. Grain, which covers the lines which we can export, and ought to export in very large quantities, is still kept under a high protective tariff. Hitherto the rate on flour of the principal kinds of grain was 1s. 6d. per cental, and when they magnanimously reduce the rate to 1s. 3d. a cental it is not going to make any difference in the volume of grain we export to Australia—not one fraction. Prior to the Federal tariff coming into force we did a large grain business with Australia, but that has practically disappeared, and it is this tariff of 1s. 6d. per cental that has done it. The proposed reduction of 3d. a cental is a mere flea-bite, and will not make £10 difference in the volume of our trade with Australia. The same remarks apply to beans and peas, maize, bran, and sharps. With regard to flour, the proposal by Australia to admit it duty-free appears to be very magnanimous, but when we cannot compete with Australian-grown wheat, what is the sense of putting it down, except it be to mislead those who do not know the true position? We do not export wheat to Australia, and if we could the shilling a cental would prohibit it. The figures showing the export of oats to Australia are as follows: 1903, £205,895; 1904, £20,659; 1905, £41,892. Linseed-meal and linseed-cake, which Australia very magnanimously says shall come in free, are not lines of export from New Zealand. We do not grow enough in fact, and, therefore, the reciprocal tariff is quite fallacious—it is not going to confer upon us any benefit at all. We have not the goods to export. Malt—a line that we might export—is still retained at 6s. per cental, so that it really amounts to this: that on lines we cannot export they reduce the rate or admit them duty-free, and on lines we ought to be able to export they retain a prohibitive duty. Onions, which we ought to be able to export, they retain the duty on; and on potatoes, which we ought to be able to export occasionally, they retain a duty. There is an anomaly in connection with wine which perhaps has not been noticed. The present tariff provides for 9s. per gallon on sparkling wine, and 5s. on Australian wine, and 6s. on other wine. Under the treaty the Australian wine would be reduced to 4s. and other wine to 6s., so that the duty on sparkling wines will be reduced from 9s. to 6s. I only mention that to point out what appears to be an unintentional mistake. There is one other anomaly I should like to point out. Our duty on eggs under the treaty is 2½d. per dozen from Australia, and from other places 20 per cent. That means that on the 1905 imports, which were valued at £47, the duty at 20 per cent. was £9 8s., while the preferential rate of 2½d. per dozen would be £17 17s. 3d. From China we imported eggs to the value of £63, the duty on which at 20 per cent. amounted to £12 12s.; but if these were to come from Australia under the reciprocal tariff at 2½d. per dozen, the duty would be £39 17s. 3d.

103. *Mr. Hanan.*] As a matter of principle I would ask the witness, do you believe in protection?—Personally, I should say I am a Free-trader.

104. Do you believe that some of our industries in this colony require some protection—more protection than they have at present?—No, I cannot think of any particular industry in the colony that calls for more.

105. You object to removing the duties off all these articles in the reciprocal treaty?—I do not object to the duty on sugar if it applies to sugar from all countries; but if you take the duty

off Australian sugar only you open the door to our having to pay the Australian producer the difference, because there are only some three independent refineries outside the Colonial Sugar-refining Company, who could easily combine and secure the whole benefit of the remission of duty.

106. Do you believe in removing the duty from raw material required for manufacturing purposes?—Yes; I should say that would be a proper thing to do.

107. But, as a Free-trader, you object to the removal of duties from the articles mentioned in this tariff?—I do not know that I said that.

108. So far as this tariff is concerned you believe in adhering to the present duty?—Certainly. As regards this reciprocal treaty, it is one-sided, because we are paying a very large sum for practically no benefit in return.

109. *The Chairman.*] There is a combination in connection with sugar in this colony?—Yes, it is controlled by one company.

110. And in such a way as to almost bind the trade so that they will not import from other places?—That is so.

111. Do you approve of that?—No, I do not approve of it. I think all such arrangements are against the free interchange of business; but, having said that, I am bound to say I do not think the Colonial Sugar-refining Company has taken advantage of its position. Its duty-paid quotation to-day is as low as the quotation received from Australia.

112. Is the sugar company associated with, or is it much the same company as, that which has works in Australia?—It is absolutely the same company.

113. So that if this treaty were agreed to they would simply transfer their works from Auckland to Australia?—Certainly.

114. As a matter of fact, that company has at times, while paying a lower price for the raw material, increased the price here?—Not within my knowledge. I am continually handling their sugar, and I think I may say that the price has fluctuated with the cost of the raw material.

NICHOLAS REID, Merchant, of Wellington, examined. (No. 6.)

115. *The Chairman.*] Are you representing any particular association?—I am simply a merchant and manufacturer. The first thing I would deal with is the value of certain lines of produce in Australia as compared with New Zealand. I have the Melbourne quotations of flour, taken from the Melbourne *Argus*, of the 27th August, 1906: Flour, New Zealand, sacks, £8 10s.; Melbourne, £7 2s. 6d.; difference, £1 7s. 6d. Flour, New Zealand, 100 lb. bags, £9; Melbourne, £7 7s. 6d.; difference, £1 12s. 6d. Flour, New Zealand, 50 lb. bags, £9 5s.; Melbourne, £7 7s. 6d.; difference, £1 17s. 6d. These quotations are "free on board" both at a New Zealand port and at Melbourne. The difference in the rate of freight from New Zealand to Melbourne is 2s. 6d., and that would be in favour of New Zealand; but if you take the duty of £1 it leaves only the margin of the odd shillings on this line. For instance, we could land the 50 lb. bags at even with the £1 duty. I make no remarks on the various values I give, in order to save time. New Zealand wheat is 3s. 4d. to 3s. 5d., while Melbourne is 3s. 3d. to 3s. 3½d. At 3s. 3½d. there is a bare margin of profit on exportation to Europe. The values of oats are—Melbourne, Tartarian seed, 3s. 2d.; stout, 2s. 10d.; milling, 2s. 7d. to 2s. 8d.; fair to good feed, 2s. 6d. to 2s. 7d.; medium, 2s. 5d. to 2s. 5½d. New Zealand, 2s. to 2s. 2d. is the range of values; but to export these oats to Melbourne would add 6d. a bushel, and that would make 2s. 8d., at which there would be no margin of profit. Rolled oats: New Zealand, 1s. per cential; Australia, 1s. 2d. a pound, or 4s. 2d. a cential. Taking Quaker Oats, it would make a difference of 8s. 3d. in the case alone. Chaff: New Zealand (Blenheim), £3 17s. 6d. to £4; Melbourne (inferior), £2; medium to fair, £2 5s. to £2 12s. 6d.; prime, £2 17s. 6d., showing a difference in value of £1 2s. 6d., taking the best New Zealand and the best prime Melbourne, in favour of Melbourne. There is no duty, but I believe the difference is 6d. per sack, and with the freight level we could export to Melbourne at £1 2s. 6d. less. Pollard: New Zealand is £5, and Melbourne is 10d. per bushel, working out at £4 3s. 6d., or 16s. 6d. difference in the ton less than at any New Zealand port. Bran is 11s. 4d. a ton lower in New Zealand than in Melbourne. I believe the present value of bran in New Zealand is £3 10s., while it is 9½d. to 10d. a bushel in Melbourne, which works out at £4 1s. 4d. This is the only margin I think there is in any of these products. In New Zealand potatoes run from £11 to £11 10s., while Melbourne prime are at £7 5s. to £7 10s., Snowflake £6 5s., and medium £5., with a duty of 20 per cent. If we take the prime potatoes that duty brings them up to £9, and the freight is about 2s. 6d. The next item I will deal with is candles. Under the reciprocal tariff they will be 1d. per pound each way. The duty on wax in New Zealand is ¾d. per pound, and in Melbourne ½d. Those coming from Australia receive a preference of ¼d. per pound. The imports to New Zealand for the following years were—1900, 1,609,121 lb., valued at £30,658; 1901, 3,042,053 lb., valued at £56,488; 1902, 3,036,621 lb., valued at £55,232; 1903, 2,415,508 lb., valued at £41,686. The falling-off was partly due, in 1905, to large stocks held and the preferential tariff, which amounted to 1½d. duty per pound on candles from the United States. Seeing the disastrous effect it had upon the United States trade, the manufacturers, I believe, established a factory for the manufacture of candles for export to New Zealand in order to evade the preferential duty, and the candles came in from Canada at 1d. per pound, the same rate as British candles.

116. *Hon. Sir J. G. Ward.*] Although they were American candles?—Yes. The candles manufactured in New Zealand since the reduction of the duty on a former occasion were—1900, 3,317,409 lb.; 1901, 2,614,741 lb.; 1902, 2,792,351 lb.; 1903, 2,746,647 lb.; 1904, 2,246,001 lb.; 1905, 2,217,765 lb.; showing a falling-off since 1900 of 1,099,644 lb., equal to 43,985 boxes, compared with 1900. If you take the local candle-factory here, you will find that in 1900 they sold 29,459 boxes, as compared with 15,075 boxes in 1905, showing a falling-off of 14,384 boxes. If

the duty upon wax were the same in New Zealand as in Victoria the manufacture of candles would flourish without increasing the tax one cent.

117. *Mr. Laurenson.*] How do you feel with regard to the proposed tariff as a whole?—I do not agree with it all.

118. But as a whole?—No. If I took candles as an item I should say I approved of that line, because it has a margin in the duty upon wax.

WEDNESDAY, 12TH SEPTEMBER, 1906.

FRANK SISSON examined. (No. 7.)

1. *The Chairman.*] You are a fruit-grower, I understand, residing at Papanui, Christchurch?—Yes.

2. We shall be glad to hear any evidence you may have to offer?—I understand that this reciprocity treaty, if passed, will hold good for three years, and if that is so, all the associations connected with fruit-growing are considering the feasibility of getting an extension of two months of the duty in the year on apples and pears. The present duty extends to the 14th July at 1d. per pound, and if this proposal were carried it would affect our interests very much.

3. *Mr. Hogg.*] What fruit is the duty on?—Apples and pears. If this proposal were carried in the House it would stop us from bringing this matter forward. Then, again, the 1d. duty is from the 1st January to the 14th July, and now it starts on the 1st March and continues until the 14th July, and this comes very hard on all the earlier or summer fruits. If Tasmania can "chip in" with the halfpenny duty it will come very hard on the New Zealand fruit-growers. We consider that the reason why we should be protected is that the wages we pay in this colony are considerably higher than are paid in Australia. Recently the unions were advocating before the Arbitration Court 1s. a day additional wages, which will make it still harder for the fruit-growers. If the duty is taken off these fruits it will make it still more difficult for us to compete. Land is dearer here, as well as wages, compared with Tasmania. I have only 45 acres laid down in fruit, and spend about £800 in wages every year, so you will see that the proposal is one of considerable importance to me. The Government have been trying to foster this industry all they know how in the past. I am planting a thousand fruit-trees this year, and propose to plant another thousand next year, and if, after we have spent our capital, we have to compete unfairly against Australian fruits, we shall be put in a hole. That is about all the evidence I have to give.

4. *The Chairman.*] Those are the main points?—Yes.

5. *Mr. Laurenson.*] What is your idea about letting grapes in at $\frac{1}{2}$ d. per pound—are you in favour of it?—No, we are not. We think it will crush all the vineries and grape-houses throughout New Zealand.

6. Are there many?—Yes; and you cannot put up a decent grape-house for less than £300 or £400.

7. What do grapes bring retail at Christchurch on an average?—A shilling a pound when they are plentiful.

8. When are they sold at a shilling a pound?—I have seen them marked up at that price, but I am not growing grapes.

9. Are they not more likely to be marked at 1s. 6d. than 1s. a pound?—I believe they are.

10. Do you know the retail price of grapes in Australia?—I believe they are from 2d. to 4d.

11. Do you know that they can be bought at 1d. per pound retail?—Yes, I believe they can. I know a person who grew grapes in Adelaide, and had to give them to the pigs because it would not pay him to take them to market. I understand that if they were imported here the packing and charges in freight and auctioneer's expenses would bring up the cost to such an amount that the public would not be able to get them much cheaper than 9d. per pound. By the time the fruiterers had picked out the rotten ones and made the remainder fit for consumption, the price to the consumer could not be less than 6d. to 9d.

12. Is it not a fact that the price quoted from the Australian growers when the season is in is on an average £1 10s. a ton?—I dare say it is.

13. That is 1s. 6d. a hundredweight. Do you not think, therefore, that we ought to get them at 6d. a pound?—Yes.

14. Is it possible for New Zealand, except one small district in Otago, and one or two places in the north, to grow grapes?—No.

15. Do you think it reasonable, from the fruit-consumer's point of view, that we should be debarred from getting fruit from Tasmania to-day because a few people want to grow grapes under glass?—Well, the towns live on the country, and I know if I go into town to buy a pair of boots I have to pay 75 per cent. duty on them. I consider that in a country like this we should be protected in every way until our chief industries are able to support themselves.

16. With regard to apples and pears, on an average what do they sell at during the plentiful season—during the two months we are extending the duty over? What is the wholesale price for apples and pears?—2d. to 2½d. a pound—that is, for a fair season.

17. The freight and charges from Australia amount to about $\frac{1}{2}$ d. per pound?—I think they amount to 1s. 9d. a case.

18. That is a fraction over. With a duty of $\frac{1}{2}$ d. that would make a difference of 1d. per pound, and we propose to make the duty last two months longer in the year. Would not that protection of 1d. be enough when apples and pears were pretty plentiful in this colony during the months we propose to include?—I do not know about that. The $\frac{1}{2}$ d. duty would not stop the Tasmanian people a bit. They hold the Melbourne and Sydney markets for their good fruit, and after supplying them, they dump their rubbish into New Zealand.

19. Do you not think our best apples and pears could beat out the Tasmanian fruit?—No, the market is flooded with this stuff, and if you got into the auction-rooms you could only get very little more for your good fruit when the place was flooded with the ordinary cheap stuff.

20. At present Parliament gives you protection to the extent of $\frac{1}{2}$ d. a pound during five and a half months in the year. Under the proposed treaty we propose to give you 1d. during four and a half months and $\frac{1}{2}$ d. during seven and a half months, and during the months of January and February pears and apples are fairly plentiful in New Zealand?—Yes; but would it not come hard on the Auckland people? I have a little stuff coming in in February, and it would affect me to a certain extent, but the Auckland people would be affected very much. The two ends of the colony are differently situated.

21. Would not the $\frac{1}{2}$ d. duty and the $\frac{1}{2}$ d. in charges be sufficient protection for our people during the months when our supplies are plentiful?—I do not think so, because they grow such large quantities of fruit over in Tasmania.

22. *Mr. Hogg.*] I understand you to say the average price of apples during the fruit season here is 2d. to 3d. a pound?—No. I generally get 6s. a case for cooking-apples up to 7s. 6d. for good apples; but I have sold apples at 2s. 6d. a case early in the season.

23. What amount is there in a case?—Thirty-six pounds.

24. At the present time have you any apples?—I have a few.

25. Are the fruit-growers in a position to supply orders for immediate consumption?—Yes, when New Zealand has a decent season.

26. Have you noticed what kind of apples are sold in the shops of Wellington at present?—They are principally Tasmanian. I think I have seen some Nelson apples.

27. I suppose you have given us your opinions simply from a fruit-grower's point of view?—Well, from a general point of view.

28. Assuming you were an artisan living in the city with a wife and family to maintain, do you think your opinions would be the same as they are at the present time?—No; they would not be, because I should look at the question from the other point of view then.

29. *Mr. Hanan.*] What is your yield per season?—Four thousand cases this year, I suppose, and from five to six thousand cases in good years. I have had as many as seven thousand.

30. Where do you place that fruit in the market?—All over New Zealand, from Invercargill to Auckland, and sometimes on the coast up to Napier; in fact, wherever there is a market.

31. How do you find your fruit stand against the competition of Tasmania—down south, say?—They beat me properly down there.

32. What is the difference in price?—Two shillings a case; but there is a difference in the weight. There would be about $\frac{1}{4}$ d. per pound. For the same quality of stuff they get a higher price.

33. What is the quantity of apples grown in New Zealand per annum?—I cannot tell you. I think you would have some difficulty in finding that out.

34. Where are the leading centres for apples?—Auckland, Christchurch, Timaru, the Teviot, Invercargill, Nelson, Hawke's Bay, and Hastings.

35. Can you give us any information as to the amount imported into New Zealand?—No. It is variable. Last year it amounted to thousands and thousands of cases, but this year there were not nearly so many.

36. What is that due to?—This year on account of the poor crop, and last year it was owing to them not sending enough to England. They had a very large crop.

37. *Mr. Seddon.*] Then you think we cannot grow apples to compete with Australia or Tasmania?—Not yet; we have not got the quantity. But if we continue growing, I take it that in a few years time we shall be able to grow sufficient to enable us to compete with them without any duty at all.

38. At present you ask for no more duty?—We want the tariff extended to September, so that we can get the late apple.

39. In what way do Tasmanian apples compete with New Zealand apples—is it just in the quantity or the quality?—They seem to be able to grow better fruit over there.

40. How do the apples grown in Tasmania compare with your own?—They knock mine clean out. They have got good stuff this year—better than it was last year.

41. You always have a good market for your crop, have you not?—No; two years ago it was not.

42. You spoke about pears having been given in Australia to the pigs?—Those were grapes. People who came from Australia told me that it did not pay to pack them and send them to the market.

43. How it is that Australian apples, bearing freight charges and a duty, can be brought here and sold at a profit as against those grown in New Zealand?—Because they have larger quantities to deal with over there. If I had ten thousand cases instead of five thousand I could grow them cheaper and yet have the same profit. In a few years I shall be able to get more profit and sell at 5s. a case.

44. There is a demand, then, for the produce of New Zealand?—Yes, there is just now.

45. But two years ago there was not?—No, because we had a big crop. The chances are that it will not take long before we shall be able to hold our own.

46. Then you will not fear competition at all?—No.

47. *Mr. Aitken.*] You say you have 45 acres under cultivation?—Yes, but that it not all fruit.

48. What labour do you employ?—Eight hands all the year round.

49. Will you explain what they are—men or women?—All men.

50. What wages do you pay?—Six shillings a day, and give them constant work; but on account of the action of the unions I expect I shall have to pay 7s., because I have been cited to appear before the Arbitration Court.

51. Do you employ eight men all the year round?—Yes.

52. And do you employ casual labour?—Yes, I have fourteen hands on now. I have a lot of hoeing to do just now, and there is the syringing and spraying of trees to do.

53. The question of grapes coming to the colony has been raised: what grapes are imported into the colony now?—They are prohibited.

54. That is so. I merely wanted to show that the question of duty has nothing to do with that question?—No, it is on account of the phylloxera.

55. Has not phylloxera been found in the grapes here?—I believe it was, but it was stamped out.

56. Do you think the letting of grapes in would give rise to the introduction of phylloxera?—I believe it would. It would have to be very closely watched, and be the cause of great anxiety to the grape-growers in this colony as well.

57. *Mr. Hardy.*] In an ordinary season, what is the price of apples in the auction-marts of Christchurch?—Three-halfpence per pound.

58. Do you think they ever go much over 2d. in an ordinary season?—Yes; late in the season they are from 2d. to 2½d.

59. And if you take a season of plenty?—They might reach more than 2d.

60. Last season you were affected by hail?—Yes, this season.

61. Do you think it is more expensive to work a full orchard in New Zealand than in Australia?—I am sure of it. I have received information from friends here who came from Australia, and they also have brothers over there.

62. You are compelled to pay certain wages, are you not?—Yes.

63. And you say you were cited to appear before the Court and will have to pay more?—Yes.

64. Supposing you have got a reasonable price for your fruit, would you have any objection to paying good wages?—Not the slightest.

65. You do not believe in starving people?—Certainly not. I would pay 7s. a day willingly to-morrow if I could still make a profit.

66. You agree with the policy of living and letting live?—Decidedly I do.

67. *Mr. Bolland.*] Have you any idea of the areas laid down in orchards in the colony?—No.

68. Do you know that the Provincial District of Auckland has more than 50 per cent. of the total area?—I believe it has a large quantity. I know one man who has 70 acres.

69. Do you know that we should be very glad in the Auckland market to get £5 a ton for sound apples—that is, a little over ½d. a pound?—Why, then, do you not ship them to Wellington and other centres?

70. I do ship to Wellington and Dunedin. With regard to the prices at which they are sold retail, do you not think the fruit-sellers are responsible for a great deal of the extra price the ordinary public have to pay for their fruit?—We are of that opinion. We know that when they have bought our stuff for 1d. and 1½d. per pound we have seen it marked up at 3d. and 4d. a pound, and rather than sell it for less, if you go round to their back-yard you will see the fruit rotting there. That is where the mistake lies.

71. Where you can buy apples at £5 a ton, do you not think there is no occasion for importation, if the fruit-sellers would be reasonable and ask fair prices from the public?—Yes. I think the price of apples ought to be higher than what you say.

72. With regard to grapes, do you know that we can grow first-class grapes in the open and sell them at 3d. a pound in Auckland—that we have hundreds of acres of grapes?—Yes. I was up at Hastings last year, and saw “ripping” grapes at Frimley.

73. And some of these grapes fall into the hands of the fruit-seller, who charges 50 per cent. higher right away?—Yes.

74. Do you not think the fruit-sellers are better paid than the fruit-growers?—I think they are.

75. There are large quantities of grapes growing in Auckland both in the open and under glass: do you know what price the people who grow under glass get for their grapes?—They do not like to take less than 1s. a pound down our way.

76. In Auckland they would be glad to get 7d., but the moment these grapes get into the hands of the fruit-seller they are ticketed up at 1s. a pound?—That is so.

77. *The Chairman.*] Have you ever thought about establishing a fruit-market in Christchurch to which the public could go and purchase what they want?—Yes, but that requires a lot of capital.

78. Do you not think that the municipality might take up the question of establishing a market for both fruit and fish?—I do indeed.

79. You have never moved in that way among yourselves, have you?—No.

80. Mr. Hanan put a question about the freight and competition: Otago and Southland would not be affected so much as the north in the matter of apples?—I do not think so.

81. The value of fruit imported last year, including apples, pears, and plums, was £12,000 and 1,026,000 lb. in weight, these fruits being subject to the 1d. duty. That was nearly all from Australia. Under the ½d. duty the figures were 2,121,000 lb., of a value of £20,000. That also was for apples, pears, and plums. The amount of the duty at 1d. per pound was £4,270, and at ½d. per pound £4,837.

EDWARD BULL examined. (No. 8.)

82. *The Chairman.*] What is your occupation, Mr. Bull?—I am secretary and manager of the New Zealand Candle Company, Wellington, but I also speak on behalf of the other three companies, Dunedin, Auckland, and Christchurch.

83. You practically represent that industry?—Yes. The whole of the New Zealand companies favour the proposed duty on candles under the reciprocal tariff, and trust it will be passed by the House. The position of our industry, we consider, is not clearly understood by members of the Government. The demand for stearine candles made from tallow, the product of our own colony, has been falling greatly during the last few years. In the year 1896, out of a total of 30,093 boxes sold by my company, 16,026 were pure stearine candles. In 1900, out of 29,459 boxes, 8,775 were stearine candles. In 1906, out of 14,177 boxes, 1,666 were stearine. The difference is, of course, in wax and composite candles. These figures will show that paraffin-wax is now the principal factor in the candle business in New Zealand. The imports from all sources for 1900 were 1,609,121 lb., but on the alteration in the duty they increased to 3,042,053 lb. in 1903, to 3,038,621 lb. in 1904, and were 2,415,508 lb. in 1905, the decrease this year being accounted for by the fact that no candles were imported from America—or only about 40 lb. The imports from the United States in 1900 were of the value of £7, and in 1903, £14,482, the weight being 753,681 lb., and 607,000 lb. in 1904. From Burmah the imports were nil in 1901, and in 1902 were only 3,750 lb., but in 1903 they increased to 121,100 lb., in 1904 to 503,219 lb., and in 1905 they fell to 412,302 lb. These are the latest figures I could get. The Burmah candles are sold at 5d. a pound wholesale. The New Zealand companies have to import the paraffin-wax from the manufacturers in Burmah of a similar grade to the candles imported, at a cost of 4d. per pound on the wharf here duty-paid. There are also landing-charges and cartage to our works to be met. The American candles are sold as low at 5½d. per pound to the retailers, but some grades, owing to defective manufacture, have also been dumped into New Zealand in large quantities, these candles selling in Wellington and elsewhere at 4½d. per pound. To import wax of a similar quality to these candles costs us 4½d. a pound duty-paid on the Wellington wharf, and candles under American labels have been recently imported from Canada at 1d. per pound duty. Again, there are English makers who quote from 1d. to 3d. per dozen pounds less than their English prices for export to New Zealand—that is, on the prices quoted on their price-list; and to show you the effect of the alteration in the tariff of the year 1900, my company in that year sold 29,459 boxes, which dropped in 1906 to 14,177 boxes. All the other companies in New Zealand are affected in a similar way, and owing to the small margin in duty, only ½d. per pound, we cannot get our candles on the market, coupled with the want of a patriotic spirit on the part of some storekeepers, who, although most admit that the colonial-made candles are equal to those of foreign companies, seem to prefer to sell the foreign makes. As a matter of fact, my company has been supplying the Consolidated Mines on the West Coast for the last ten years, and are still supplying them with mining-candles. If this reciprocal tariff does not go through and nothing is done for the candle industry this session, we hope that a revision may take place at an early date, and that the matter will have the earliest consideration of the Government. The industry is in such a way that my company has been hanging over year after year in the hope of something being done to place the industry in a better position. Mr. Seddon admitted in 1900 that we were very badly hit, and said that if we tried it for twelve months and could not make a do of it something would be done in the matter; but we have approached the Government every year since 1900 up to the present time, and we have got no relief. It has been the intention of my directors each year, when the annual balance-sheet came up and showed that we were losing money on the manufacture of candles, to close down on them; but we do not like to have to put our employees out of employment, because they have no hope of getting work in that particular line anywhere else in this colony, and some are not fitted to take up any other class of work except labouring. We have at present men in our employ who have been in the trade for the last twenty-five years, and it would be a great hardship to them if candle-manufacturing had to be closed up.

84. *Mr. Laurensen.*] You say that if this tariff goes through it will help your industry?—It will.

85. That is, keeping the tariff as it is for Australia and raising it for outside countries?—Yes.

86. And you also say that you have to pay a duty on the raw material?—Yes, ¾d. per pound, and the paraffin-wax has to be purchased from the Standard Oil Company and from Burmah.

87. Roughly speaking, how many people are employed in the candle industry?—We got those figures for this Committee about two years ago, and I forget what they are now.

88. *Mr. Hanan.*] You know something about the Orepuki shale?—I know a little about that.

89. What is your opinion with regard to the Government giving some encouragement to those works being re-established?—The colonial candle companies did their utmost to help that industry. The paraffin-wax they turned out was not marketable, however. The colour was very bad, and the colour of the mineral oil was also bad. We went to a lot of expense in our endeavour to refine it, but it was not really marketable. If they could turn out a wax that could be compared with that obtained from the Scotch shale it could all be used in the colony. I suppose there are annually 600 tons imported into the colony.

90. You are aware that the company sank £100,000 in that industry?—Yes, roughly.

91. And at the present time the capital sunk in it is lying idle?—Yes.

92. *Mr. Seddon.*] Has there been any difficulty in marketing the wax from Burmah in Australia?—No; but I think the candle-manufacturers turn out a far greater quantity of stearine candles than wax there.

93. Are they stearine candles in New Zealand?—No, principally wax. We put a certain quantity of stearine into most of our candles. We manufacture stearine ourselves from tallow.

94. And Australia can produce candles more cheaply than can New Zealand?—Yes. They have ½d. advantage over us in the duty.

95. You are not afraid of reciprocity on account of the difference in duty?—No.

96. *Mr. Hardy.*] You spoke of want of patriotism in the distributor?—Yes.

97. Would it not be well to consider the matter of patriotism in the consumer?—No, for this reason: Speaking with regard to candles, the consumer will order, say, 2 lb. of candles, and no

particular candle is stipulated for. If the grocer gave the consumer a candle equal to the imported it would not be quibbled at; but some grocers will not even stock the colonial candles.

98. Do you not think the grocer knows something about his business as well as the manufacturer?—He should.

99. Do you not think he is going to supply his customer with what he wants without any quibbling?—Yes.

100. And do you not think there is something in the argument as to the quality of candles made in New Zealand and in the Old Country?—Well, I know a case of a town where there are three storekeepers within a hundred yards of each other. The storekeepers at each end sold our candles, and the middle one said he could not sell them.

101. If you made candles good enough, do you think there would be any comparison in the sale of them?—I believe our company can manufacture candles as well as any company in the world.

102. What is the reason for stearine candles not being popular?—We can only sell the cheaper brands.

103. Do you not think stearine candles are better than wax candles?—Speaking from twenty-five years' experience, I would far sooner use stearine candles than the best wax candles.

104. If you were to make stearine out of tallow, and devote your attention to turning out a popular candle, could you not work on the loyalty of the people and their patriotism to induce them to burn it?—No. For instance, take the tallow at its present price: by the time we extract the glycerine and oil and get the stearine sufficiently white and hard, it costs so much that we cannot sell it under 6½d. or 7d. wholesale.

105. Is it not within your knowledge that large quantities of stearine are imported and sold retail?—I do not suppose that 1 per cent. of the candles imported are stearine candles.

106. In Canterbury, is there not a large quantity of Price's candles sold—that is a pretty old firm of good standing?—Yes.

107. And they give full weights?—Yes.

108. Could you not make your own material—stearine, the product of the colony—and put a popular candle into the market?—No, it would not sell.

109. And yet you would not be surprised if I were to tell you that Price's candles are largely sold?—Price's candles are not stearine candles.

110. Well, they are advertising them as stearine?—The candles that come into this colony as Price's are London sperm and National sperm.

111. What is that made of?—About 80 or 85 per cent. of paraffin-wax.

112. What are Belmont sperms?—They are principally wax.

113. What are Price's stearine advertised for?—I suppose they advertise their stearine, but I have not seen them for a very long time. National sperms and London sperms are the two principal brands that come into this colony. Belmont stearine are 6½d. per dozen pounds higher than London sperm.

114. What are Balmoral sperms?—I think they are candles made by the Ogston Company, of Glasgow or Aberdeen. They are pure paraffin-wax.

New Zealand Candle Company (Limited),

SIR,—

Kaiwarra, Wellington, 18th September, 1906.

If permissible, I should like to add the following to my evidence:—

Considerable quantities of Price's London sperm candles, in 14 oz. packets, are imported into New Zealand, and I have no doubt that many consumers buy these as pound packets.

Should the proposed alteration in the tariff be passed I do not think it will entail any loss of revenue, as the increase in duty will not prohibit the importation of some of the older brands of candles, whilst the increase in the importation of wax by the colonial manufacturers, at ¾d. per pound duty, will possibly more than make up the difference.

I also enclose copy of the proceedings at the general meeting of the company held on the 8th August, 1905.

The Chairman, Extension of Commerce Committee,
Parliament Buildings, Wellington.

I am, &c.,

E. BULL.

HENRY FREDERICK ALLEN examined. (No. 9.)

115. *The Chairman.*] What are you, Mr. Allen?—I am secretary of the Wellington Provincial Industrial Association. The Wellington Association is part of the New Zealand Industrial Corporation, and the corporation and the associations merely exist to foster and promote colonial manufactures. At the usual monthly meeting of our association held last night the matter of the evidence just taken by yourself was referred to by the last speaker, Mr. Bull. His company is represented on my association, and it was decided by the General Committee to courteously ask your Committee to allow me simply to state that at the last meeting of our association the proposed reciprocal tariff between this colony and Australia was considered and viewed with alarm, and that it was protested against by the association, as it felt that the proposed treaty would act detrimentally to the producers of this colony. That was merely the form of the resolution passed, and which will be forwarded. I have not come with any figures. If I had any idea of appearing this morning and tendering evidence I would have come better prepared, but in any case I shall be glad to answer any questions which you may be pleased to suggest.

116. *Mr. Hanan.*] In your opinion, what industries require a little more protection?—I thank you for putting that question, for a double reason. I should have mentioned that in the resolution passed by the association the candle industry was the only exception, but there are many industries that want a little more encouragement.

117. Will you just give us a few?—I would single out the engineering industry as a very important one that needs further protection. The clothing industry also needs protection, and also the

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

of bringing that about apart from the treaty with Australia?—The only way I see is to abolish the duty altogether; but I do not think giving a preference to Australian sugar would make much difference.

12. Supposing you abolish the duty, whether in favour of Australia or not, do you think that would result in a gain to the consumer?—I am very doubtful whether it would, because from all I can hear the supply of sugar is practically a monopoly.

13. There would be no competition practically?—I do not think so.

14. Having regard to the Auckland company and supposing we allowed this amendment in the tariff under this reciprocal treaty, would that make any difference to the consumer?—There is no law affecting the refining of sugar in New Zealand. The position is that the Auckland company's premises are a bonded warehouse and Fiji raw sugar is bonded there, and the Customs revise the whole thing. It is cleared from the refinery at $\frac{1}{2}$ d. per pound, which is the duty on the raw sugar that is imported.

15. *Mr. Bolland.*] If the agreement were accepted, that $\frac{1}{2}$ d. per pound would have to be taken off?—Only off sugar the produce of Australia. If the agreement is ratified by Parliament, Australian sugar will come into New Zealand free. Sugar from other countries would still be liable to $\frac{1}{2}$ d. per pound.

16. Then the sugar-refinery at Auckland would still require to pay the $\frac{1}{2}$ d. per pound?—Yes. If raw sugar is imported from Queensland and refined in New Zealand there would be no duty on it according to the agreement.

17. That would not be fair to Fiji, which is a British colony?—It would still probably keep the refinery in New Zealand.

18. If that $\frac{1}{2}$ d. per pound is retained on refined sugar, do you not think it would have the effect of shutting up the works in Auckland?—You mean that if Australian sugar comes in free it would have the effect of shutting up the New Zealand refinery?

19. Yes?—If the Australian refined sugar comes in free, then I think the probable effect will be the closing of the Auckland refinery.

20. Therefore closing up a large industry?—Yes.

21. I believe there are a thousand people employed there, including their families. Now, with regard to candles: It has been stated that the effect of the agreement will be a serious injury to this industry?—I am afraid I am not a very competent judge as to what the effect would be on the local industry.

22. I think you said it would benefit the local candle-makers?—Yes, the extra 1d. would be a further protection as against candles from the United Kingdom, Bengal, and Burmah.

23. *Mr. Aitken.*] Were the figures you quoted with regard to the candles imported into New Zealand during 1905 of Australian manufacture?—No, only a very small proportion.

24. From my knowledge of the trade I think it would be found that there are practically no Australian candles coming into this market?—Only to the value of £478 during 1905.

25. That was all of Australian manufacture?—Yes.

26. Burmah is the place from which most of the outside candles come?—No, the United Kingdom sent 34,000 pounds' worth.

27. But this is as against the cheap candle made in the colony. Burmah candles have gone up and largely increased within the last few years?—Yes.

28. So that, by this reciprocal tariff, in the item of candles you would be favouring one part of the British dominions as against another part of the British dominions: Burmah and India would be legislated against in favour of Australia?—Yes.

29. Now, supposing the $\frac{1}{2}$ d. a pound on sugar was taken off in Australia and New Zealand—because it is practically the one company—the remission would not go into the pockets of the consumer?—That is assuming that the industry is practically in the hands of one company.

30. Supposing you took off the $\frac{1}{2}$ d. per pound, do you think that—seeing that everybody recognises that we are dealing with practically one company, which controls the sugar industry of this colony and Australia—outside sugar would be able to compete with the $\frac{1}{2}$ d. against it and reduce the price to the consumer?—The duty in Australia is 6d. per cental—the 100 lb. You are supposing it to be reduced by $\frac{1}{2}$ d., which would make it £1 6s. 8d. per ton. I think probably Java sugar would compete very strongly with Queensland sugar in Australia.

31. Not in New Zealand? The condition is not altered. You remove the $\frac{1}{2}$ d. on Australian sugar coming in here, but keep up the price against all outsiders?—I think the conditions would remain much the same as they are now.

32. *Mr. Hardy.*] If we shut up the sugar-works in Auckland shall we not release a lot of labour employed there?—Yes, I think so.

33. Do you know whether other New Zealand companies have interests in Fiji which might be affected if the sugar was "shot" into New Zealand?—No. I understood it was the Colonial Sugar Company which had the sugar-production in Fiji.

34. Now, with regard to candles: Do you know anything about cheap candles being manufactured in Australia?—No.

35. Do you know that at the present time candles are being imported largely from America, Burmah, and England?—The 1905 statistics do not show much. The figures are—Australia, £478; United Kingdom, £34,907; Bengal and Burmah, £6,257; other countries, £44.

36. Do you know anything about the duty on paraffin-wax in Australia?—In Australia the duty on paraffin-wax is $\frac{1}{2}$ d. per pound.

37. And in New Zealand?—Three farthings a pound, I think.

38. Are you prepared to recommend that that $\frac{1}{2}$ d. should be remitted with a view to putting our candle industry upon a fair footing?—That is a matter of policy.

39. What will be the effect upon our candle industry if they are getting in wax at $\frac{1}{2}$ d. a pound and we are charging a duty of $\frac{3}{4}$ d., seeing that wax is largely used in the manufacture of these candles?—The Australian candles would have the advantage, of course.

40. And then our workmen would have to go idle. Do you know anything about any fancy-soap works in Australia?—No.

41. It is not within your knowledge that large quantities of fancy soaps are being manufactured in Australia?—No, I do not know anything about that. The importation of fancy soaps into Australia during 1905 was £62,000.

42. Would that be for the cheaper fancy soaps?—They would all be included in those figures. That does not seem a very large amount for Australia.

43. Do you think if we raised the tariff on fancy soaps against England and America it would allow the Australian makers to come in and compete with our manufacturers here?—It would have that tendency.

44. *Mr. Seddon.*] Can you tell me whether it is true that the duty on sugar for 1905 amounted to £185,000?—£186,000 are the figures.

45. What would be the profit on that when sold by the middleman?—I do not know.

46. I have an extract here which says that the middleman makes a profit of 20 per cent.?—I could not speak as to that.

47. Roughly put, what, under the present proposed treaty, would be the loss to the colony?—I have already stated that it would be £165,090.

48. *Mr. Hogg.*] With regard to flour, what loss do you estimate would arise from the abolition of the duty on Australian flour?—Three hundred pounds.

49. Can you recollect about how long the present duty has been in operation?—Since ever I remember it has been 1s. the 100 lb.

50. That has been for how many years?—Since 1882, at all events.

51. Do you know whether at any time there have been large importations of flour into New Zealand either from Australia or America?—I think that not long ago there was a considerable importation. I would not call it "large," but I cannot remember the figures.

52. Then, the colony generally has been able to keep itself supplied?—Yes.

53. Do you think the abolition of this duty would seriously injure or destroy the present industry of flour-milling?—I could only go the length of saying it would encourage the importation of flour from Australia.

54. With reference to apples and pears, do you think the alteration in the duty would injure the revenue or improve it?—The estimated loss has been put at £700.

55. Do you think the importations would be increased or diminished?—Increased, because the period during which the $\frac{1}{2}$ d. duty is collected is lengthened.

56. *The Chairman.*] Do you know anything about the methods of monopoly adopted by the present sugar companies in the colony to control the whole trade?—No, I do not know anything about it.

57. Have you any opportunity of knowing whether the sugar company base their prices upon the fluctuations of the raw material, or whether they are based entirely upon competition from abroad?—No, I have no personal knowledge as to that. I could not give you any information upon that point.

APPENDIX.

Canterbury Agricultural and Pastoral Association,
Christchurch, 13th September, 1906.

SIR,—

I have the honour, by direction of the president, to forward the following resolution passed at a meeting of the General Committee of this association held on the 13th September, viz :—

"That in the opinion of this committee the proposed reciprocity treaty with the Commonwealth is inimical to the interests of the farmers and producers of New Zealand, and the committee trusts that it will not be ratified by Parliament."

I have, &c.,

W. T. PEMBERTON, Secretary.

The Chairman of the Industries and Commerce Committee,
Parliamentary Buildings, Wellington.

SIR,—

Office of the Minister of Lands, Wellington, 15th September, 1906.

The following resolutions, passed at the conference of fruitgrowers, held this date at the Odd Fellows' Hall, have been handed to me by a deputation which waited upon me this afternoon :—

1. "That in the opinion of this conference the provisions in the reciprocity agreement between Australia and New Zealand, by which a decreased duty is proposed to be placed upon fruit imported into New Zealand from Australia during the months of January and February, will be disastrous to the fruit-growing industry throughout the colony, and this conference vigorously protests against the proposed reduction in the tariffs."

2. "[That as grape-growing for wine-making purposes is in its infancy in the colony, and as the industry is most promising and steadily progressing, and as the reduction in duty on imported wine would detrimentally affect the industry, the Government be urged to disagree with the proposed reduction in duty on imported Australian wines."

As the motions raised deal with the reciprocity treaty which is at present before your Committee, I forward them on for the consideration of the members. I may say that the conference has representatives from the following associations: Auckland, Northcote, Birkenhead, Albany, Canterbury, Teviot, Hawke's Bay, Motueka.

Yours, &c.,

The Chairman, Commerce Extension Committee, Wellington.

ROBERT McNAB.

SIR,—

Roxburgh, Otago, 13th September, 1906

I am instructed by the fruit-growers of the Teviot district to urge upon your Committee the necessity of maintaining the present duties on imported fruits, as any reduction of the same would mean a serious drawback to the growers of this district and to the whole colony, for the following reasons:—

(a.) New South Wales is much earlier than New Zealand, and sends its surplus into our markets just as our early fruits are coming in, consequently the prices of locally-grown fruit are much reduced.

(b.) Victoria follows quickly on the track of New South Wales, and keeps the glut going.

(c.) South Australia and Tasmania each come in to the disadvantage of our own products.

(d.) By the importation of Australian fruits there is a continual risk of introducing disastrous fruit-pests, of which Australia has quite a number.

(e.) Because the water transit from Australia is cheaper than road and railway transit from many of the fruit-growing districts of New Zealand, of which Teviot and Otago Central are samples.

(f.) I may say that it was on account of the duty placed upon imported fruit that growers in this district were induced to plant the large areas they now have under cultivation, and which are now rapidly increasing.

While everything is being done to foster fruit-growing throughout the colony, I think it would be most unfair to those who are doing all in their power in this direction to put the industry in jeopardy by allowing fruit which we can produce ourselves to come into the colony free of duty, and so absorb much of the public money, which can just as well be retained in the country.

I have, &c.,

Thomas Mackenzie, Esq., M.H.R., Chairman of Trades and
Commerce Committee, Wellington.

J. BENNETTS.

SIR,—

Canterbury Fruit-growers' Association,
Heathcote Valley, Christchurch, 7th September, 1906.

I am requested by the Committee of the Canterbury Fruit-growers' Association to ask you to use your best endeavours in opposing the alterations in the duties on fresh fruits and wines, as suggested in the reciprocity treaty with the Commonwealth now under consideration by your Committee.

Our association has contended for a long time that the present duty of 1d. per pound on apples and pears should be continued for an additional two months, whereas the present suggestion is, that the duty of ½d. per pound shall be extended for an additional two months of the summer. This alteration will have a very disastrous effect on an industry which, in many other ways, the Government is spending money to foster, and our committee earnestly hope the alteration will not be allowed to pass.

Yours, &c.,

The Chairman, Industries and Commerce Committee,
House of Representatives, Wellington.

EDW. WILKINSON, Hon. Secretary.

(Telegram.)

Auckland, 31st August, 1906.

AUCKLAND Fruitgrowers' Union respectfully protests against proposed concessions reciprocal tariff *re* grapes and other fruits, also extension period *re* apples and pears.

HENRY MACKIE, Secretary.

Chairman, Industries and Commerce Committee, Wellington.

(Telegram.)

Oamaru, 3rd September, 1906.

THAT this Chamber views with much concern the proposals contained in the reciprocal treaty, and is strongly of opinion that it will adversely affect the producers and local industries without benefiting the consumer, and trusts that the treaty will not be ratified.

J. MATTLAND JONES,

President, Chamber of Commerce.

The Chairman, Industries and Commerce Committee, Wellington.

(Telegram.)

Whangarei, 4th September, 1906.

FRUIT-GROWERS view with utmost alarm treaty proposals. If confirmed, grape-growers consider themselves ruined. Extending ½d. duty time to 1st March on apples and pears means great loss to our growers; and where in the treaty is their *quid pro quo*?

MACKIE,

Industries and Commerce Committee, Wellington.

Secretary, Fruitgrowers' Association.

Canterbury Chamber of Commerce,

SIR,—

170 Hereford Street, Christchurch, 4th September 1906.

I beg to forward you copies of resolution passed at a meeting of the committee of this Chamber held to-day:—

"That the Committee of this Chamber views with alarm the proposal now before Parliament to ratify the suggested reciprocal treaty between the Commonwealth of Australia and this colony, on the following grounds: (1.) The benefits obtainable therefrom by New Zealand are apparently in nowise commensurate with those to be given to Australia. (2.) That some of the provisions—notably that having reference to sugar—would result in a large loss of revenue without equivalent advantage. (3.) That the proposed removal of the duty on flour would seriously injure the milling and farming interests. (4.) That in any treaty of this nature the Mother-country and all sister colonies should be made participants."

Yours, &c.,

H. ANTILL ADLEY, Secretary.

(Telegram.)

Christchurch, 4th September, 1906.

CANTERBURY Chamber of Commerce strongly protests against Commonwealth reciprocal treaty. Copy resolution going first mail.

E. G. STAVELEY, President.

Chairman, Industries and Commerce Committee, Wellington.

SIR,—

Ngapara, 5th September, 1906.

I have the honour to inform you that at a general meeting of farmers held in Oamaru this day the following resolution was unanimously carried :—

“This meeting desires to record its emphatic protest against that part which deals with the products of the farmer in the reciprocal tariff now before the House becoming law, as the proposals are altogether one-sided in favour of Australia, and against the interests of the farmers of this colony.

Yours, &c.,

Thomas Mackenzie, Esq.

WALTER SETH SMITH,

Secretary, Oamaru Branch, Farmers' Union.

North Otago Agricultural and Pastoral Association,

Oamaru, 6th September, 1906.

SIR,—

I am instructed by my committee to forward for your information a copy of the following resolution passed at their meeting on the 5th September.

Yours, &c.,

T. McKenzie, Esq., M.H.R., Wellington.

E. PIPER, Secretary.

“The North Otago Agricultural and Pastoral Association desires to enter its protest against that part of the reciprocal tariff at present before Parliament which deals with the products of the farm, as the alterations proposed are against the interests of the farmers of the colony.”

South Canterbury Chamber of Commerce,

Timaru, 6th September, 1906.

SIR,—

I am instructed to forward to you the following resolution :—

“That this Chamber is of opinion that the proposals in respect to the reciprocal treaty with Australia now before the House are not based on fair and reasonable grounds for adoption by this colony, the benefits derivable therefrom being so distinctly favourable to Australia, and no commensurate equivalent to New Zealand being apparent as against the large sacrifices asked for.”

Trusting you will see this in the same light.

I have, &c.,

C. S. FRASER, Secretary.

The Chairman, Industries and Commerce Committee, Wellington.

Birkenhead and Northcote Fruitgrowers' Association,

4th September, 1906.

SIR,—

I have the honour, by direction of the above association, to forward to you copy of resolution passed at a meeting of the association on Monday, the 3rd instant, with reference to the proposed reciprocal treaty with Australia, and to ask your favourable consideration of the wishes of the fruit-growers :—

“That this meeting of Birkenhead and Northcote fruit-growers learns with surprise the provision made in the proposed reciprocal treaty with Australia that apples and pears are to be admitted into New Zealand at a reduced scale of duty during the months of January and February, thereby making this colony's markets a dumping-ground at a time when the local supply is sufficiently plentiful, and causing both local and Australian growers' returns to become unremunerative. As this would be a serious injury to a large number of settlers in New Zealand engaged in the fruit-growing industry, we respectfully submit to the Hon. the Premier and members of the House of Representatives that the said provision in the treaty would not be to the interest of New Zealand fruit-growers, who ask that the previously existing tariff be not interfered with. And, further, the removal of prohibition from Australian grapes, we desire to express the opinion that the effect would be in direct opposition to the Government policy of fostering the viticultural industry in operation for many years past, and just when such industry is gaining a footing a serious and permanent injury would be done thereto.”

I have, &c.,

ALLAN WILSON, Secretary.

The Chairman of Industries and Commerce Committee, Wellington.

APPENDIX.

RECIPROCITY.—NEW ZEALAND AND AUSTRALIA.

RETURN showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified.

Article.	Imported into Australia, 1905.						Imported into New Zealand, 1905.									
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.		
Aerated and mineral waters	New Zealand .. United Kingdom .. Belgium, France, Germany, &c.	..	£ 66	20 per cent.	20 per cent.	Free	Loss £1,000	Australia .. United Kingdom .. Belgium, Ger- many, &c.	Dozen	£	20 per cent.	20 per cent.	Free	Loss £400		
		..	3,342						2,038	393						
		..	6,764						12,097	2,566					5,060	949
		10,172							19,195	3,908						
Bacon and hams	New Zealand .. United Kingdom .. United States of America. Other countries	Lb.	564	4d. lb.	4d. lb.	3d. lb.	Gain £300	Australia .. United Kingdom .. Other countries	Lb.	50	2d. lb.	4d. lb.	2d. lb.			
		16,538	4,579						783	41						
		130,641	504						107	4						
		4,546	160						940	47						
Butter	New Zealand .. Philippines .. Other countries	..	10,172	3d. lb.	4d. lb.	3d. lb.	Gain £300	United Kingdom	Lb.	448	20 per cent.	4d. lb.	20 per cent.			
		..	5,807													
		Lb.	23,092													
		520,857	24,000						985							
Cheese	New Zealand .. United Kingdom .. Germany and Netherlands Other countries	..	47,344	3d. lb.	4d. lb.	3d. lb.	Gain £300	United Kingdom Holland Other countries	Cwt.	13	20 per cent.	4d. lb.	20 per cent.			
		..	1,432						14	56						
		..	25,509						18	102						
		592,201														
Candles	New Zealand .. United Kingdom .. India & Burmah Other countries	Lb.	4,422	3d. lb.	4d. lb.	3d. lb.	Gain £500	Australia .. United Kingdom .. Belgal & Burmah Other countries	Lb.	45	20 per cent.	4d. lb.	20 per cent.	Gain £50		
		173,378	25,638						478							
		48,015	1,976,425						34,907							
		131,142	412,302						6,237							
		36,588	1,420	1d. lb.	2d. lb.	1d. lb.	Gain £13,300		2,415,508	41,686	1d. British manuf., 1½d. foreign	2d. lb.	1d. lb.	Gain £9,000		
		384,718	12,494													
		Lb.	5,013													
		219,360	32,311						1,143	44						
		2,000,448	17,816						1,976,425	6,237						
		991,853	55,140													
		3,211,661														

RECIPROCITY.—NEW ZEALAND AND AUSTRALIA—continued.

Baruan showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into Australia, 1905.					Imported into New Zealand, 1905.								
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.
Eggs ..	New Zealand .. United Kingdom .. Hong Kong and China .. Other countries ..	Doz. 340 26,970 42,574 14,633	£ 21 640 853 429					Australia .. Hong Kong and China .. United States of America ..	Doz. 1,715 3,779 1,050	£ 47 63 52				
		84,517	1,493	6d. doz.	6d. doz.	2½d. doz.	Loss, £100		6,544	162	20 per cent.	20 per cent.	2½d. doz.	
Fish—														
Fresh ..	New Zealand ..	62 lb.	2	1d. lb.	1d. lb.	Free	..	Not shown.						
Oysters ..	New Zealand ..	8,195 cwt.	3,564	2s. cwt.	2s. cwt.	Free	Loss, £800	Nil.						
		Centals.												
Apples ..	New Zealand .. United States of America .. Other countries ..	19 4,327 988	15 3,443 722					Australia .. United States of America .. Other countries ..	Lb. 2,946,967 395,026 5,696	26,251 5,934 99	3d. lb. from 14th July to 31st December; 1d. the rest of year.	3d. lb. from 1st March; 1d. the rest of year.		Loss, £700
		5,334	4,180	2s. cental	2s. cental	2s. cental	Nil		3,347,689	32,284				
Pears and Grapes ..	Not shown separately.							Pears, plums, &c.,	are included in above.					
Fruits, dried—		Lb.												
Raisins ..	New Zealand .. United Kingdom .. Greece and Asia .. Minor .. Other countries ..	8,492 454,603 159,446 115,702	72 4,909 1,459 2,348					Australia .. United Kingdom .. Greece and Asia .. Minor .. Other countries ..	Lb. 326,647 264,931 1,494,356 1,048,708	3,130 3,030 12,864 15,253				
		738,243	8,788	3d. lb.	3d. lb.	Free	Nil		3,134,642	34,277	1d. lb.	1d. lb.	Free.	Loss, £2,500
		Lb.												
Currants ..	New Zealand .. United Kingdom .. Greece and Italy .. Other countries ..	2,428,742 7,011,061 513,080 9,952,883	15,641 51,196 3,923 70,760					Australia .. United Kingdom .. Greece .. Other countries ..	Lb. 270,704 748,076 1,741,900 3,278,402	2,190 5,213 13,551 24,853				
				2d. lb.	2d. lb.	Free	Nil						Free.	

Return showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into Australia, 1905.					Imported into New Zealand, 1905.										
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.		
Grain— Barley ..	New Zealand .. United States of America Other countries	Centals.	£					Australia .. United Kingdom	Centals.	£						
		20,415	5,604						24	24						
		41,280	13,778						136	97						
		730	290													
		62,425	19,672	1s.6d. cental	2s. cental	1s.3d. cental	Loss, £750		160	121	2s. cental	2s. cental	1s.6d. cental	..		
Beans and peas ..	New Zealand .. United Kingdom Other countries	Centals.						Australia .. United Kingdom Other countries	Centals.							
		9,715	3,973						541	243						
		268	214						571	715						
		2,006	882						74	120						
		11,989	5,069	1s.6d. cental	2s. cental	1s.3d. cental	..		1,186	1,078	9d. cental	2s. cental	1s.3d. cental	Gain, £50.		
Maize ..	New Zealand .. New Hebrides .. Other countries	Centals.						Not shown separately								
		256	85													
		4,934	1,729													
		290	108													
		5,480	1,922	1s.6d. cental	2s. cental	1s.3d. cental	Gain, £100			..	9d. cental	2s. cental	1s.3d. cental	..		
Oats ..	New Zealand .. United Kingdom	Centals.						Australia .. United Kingdom	Centals.							
		156,942	45,445						20,704	6,582						
		18	15						50	44						
		156,960	45,460	1s.6d. cental	2s. cental	1s.3d. cental	Loss, £2,000		20,754	6,626	9d. cental	2s. cental	1s.3d. cental	Gain, £500.		
		9,410	1,916													
Bran, pollard, and sharps	New Zealand .. United Kingdom	Centals.						Not shown separately								
		3	1													
		9,413	1,917	1s. cental	1s. cental	9d. cental	Loss, £120			..	20 per cent.	20 per cent.	9d. cental	..		
Flour ..	New Zealand .. United Kingdom Canada United States of America Other countries	Centals.						Australia .. United Kingdom	Centals.							
		94	59						6,366	2,541						
		4,762	2,489						1	1						
		10,887	5,258													
		6,182	3,033													
		303	140													
		22,228	10,979	2s.6d. cental	2s.6d. cental	Free	Loss, £1,250		6,367	2,542	1s. cental	1s. cental	Free	Loss, £300.		

RECIPROCITY.—NEW ZEALAND AND AUSTRALIA—continued.

RETURN showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into Australia, 1905.						Imported into New Zealand, 1905.							
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.
Grain—continued. Wheat ..	New Zealand ..	Centals 5	£ 1					Australia ..	Centals 2	£ 1				
	Other Countries ..	150	35					Other countries ..	436	317				
Oatmeal, wheat meal, and rolled oats	New Zealand ..	Centals 13,136	74											
	United Kingdom ..	277,838	2,797											
	United States of America ..	519,359	6,065											
	Other countries ..	82,744	843											
Hay and chaff ..	New Zealand ..	893,077	9,779	3d. lb.	3d. lb.	1s. cental	Loss £800	Not shown separately			1s. cental	13d. per lb.	1s. cental	..
	Other countries ..	Cwt. 1,090	128											
		46	7											
		1,136	135	1s. cwt.	1s. cwt.	Free	Loss £50	Australia ..	140 tons	424	£1 ton	£1 ton	Free	Loss £140.
Hops ..	New Zealand ..	Lb. 330,452	18,518						Lb. 10,187	963				
	United Kingdom ..	398,139	14,738						18,321	1,047				
	Other countries ..	550,771	29,507						15,101	866				
		1,279,362	62,763	6d. lb.	1s. lb.	6d. lb.	Gain £16,000		43,609	2,876	6d. lb.	1s. lb.	6d. per lb.	Gain £800.
Linseed ..	New Zealand ..	Centals 1,074	585											
	India ..	12,791	6,532						11 tons	131				
	Other countries ..	133	71						11 tons	133	£1 ton	£1 ton	Free	..
		14,001	7,188	2s. cental	2s. cental	Free	Loss £500							
Linseed meal	New Zealand ..	Centals ..	..					Not shown separately			15 per cent.	..	Free	..
	United Kingdom ..	40	15	4s. cental	4s. cental	Free	..							

RECIPROCITY.—NEW ZEALAND AND AUSTRALIA—continued.

Return showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into Australia, 1905.					Imported into New Zealand, 1905.									
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.	
Linseed cake	New Zealand ..	Centals. .. 450	.. 110				..	Not shown separately.	Bushels. .. 2,546	.. 848	20 per cent.	..	Free.	Loss £100	
	India ..	580	222					Australia ..							
	Other countries	1,080	332	1s. cental.	1s. cental.	Free.		United Kingdom							
Malt	New Zealand ..	Centals. 665	333					Australia ..							
	United Kingdom	66,85	51,889					United Kingdom							
	Germany ..	1,535	1,025					Other countries							
Milk, preserved	New Zealand ..	68,285	53,247	6s. cental.	7s. cental.	6s. cental.	Gain, £3,250	Australia ..	2,546	848	2s. bushel.	7s. cental.	2s. bushel.	Gain £100	
	United Kingdom	Lb. 658,845	11,864					United Kingdom	Lb. 2,354	50					
	France ..	5,231,774	90,314					Switzerland ..	408,307	7,763					
Oil— Olive ..	Other countries	4,117,688	77,890					Other countries	155,276	2,783					
		887,162	14,590						55,296	996					
		10,895,469	194,656	1d. lb.	2d. lb.	1d. lb.	Gain, £33,500		631,233	11,591	25 per cent.	2d. lb.	25 per cent.	Gain £2,500	
Bottled ..	United Kingdom	Gals. 2,675	535					Australia ..	Gals. 1,288	255					
	Italy ..	9,155	2,105					United Kingdom	1,419	286					
	Other countries	4,500	872					Other countries	3,848	677					
Eucalyptus		16,330	3,512	1s. 4d. gal.	1s. 4d. gal.	Free.	..		6,555	1,218	6d. gal.	6d. gal.	Free.	Loss £50	
		Australia ..	Doz. pts. 294	70					
		United Kingdom	1,473	784					
		..	..	..	..	..	..	Other countries	20	11				
		..	..	..	..	..	..		1,787	865	15 per cent.	15 per cent.	Free.	
		..	..	..	..	..	..	Australia ..	Lb. 6,956	2,344				
		..	..	..	..	..	..	Other countries	149	44				
		..	..	..	..	..	..		7,105	2,388	20 per cent.	Free.	Free.	Loss £450

RECIPROCITY.—NEW ZEALAND AND AUSTRALIA—continued.

RETURN showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into Australia, 1905.					Imported into New Zealand, 1905.								
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.
Onions ..	New Zealand ..	Cwt. 8,712	£ 2,625					Australia ..	Cwt. 17,968	£ 7,910				
	Japan ..	13,358	4,646					United States of America ..	12,772	7,115				
	United States of America ..	15,793	6,344					Italy ..	30	14				
	Other countries	12,485	5,185											
Potatoes ..		50,348	18,800	1s. cwt.	1s. 6d. cwt.	1s. cwt.	Gain £350		30,770	15,039	1s. cwt.	1s. 6d. cwt.	1s. cwt.	Gain £200.
	New Zealand ..	Cwt. 44	11					Australia ..	Tons. 1,311	9,320				
	United States of America ..	5,809	2,019					United States of America ..	1,461	6,941				
	Other countries	2,701	1,151					Other countries	14	110				
Soap— Perfumed ..		8,554	3,181	1s. cwt.	1s. 6d. cwt.	1s. cwt.	Gain £200		2,786	16,371	20 per cent.	1s. 6d. cwt.	20 per cent.	
	New Zealand ..	Lb. ..						Australia ..	Cwt. ..	19,130				
	United Kingdom ..	540,739	37,249					New Zealand ..	..	9,712				
	United States of America ..	248,204	22,161					United States of America ..	..	7,396				
Sugar— Refined & unrefined ..	Other countries	53,194	3,219					Other countries	..	605				
		842,137	62,629	3d. lb.	6d. lb.	3d. lb.	Gain £3,000		..	36,843	25 per cent.	6d. lb.	25 per cent.	Gain £13,000
	New Zealand ..	Cwt. 2	1					Australia ..	Cwt. 9,439	7,847				
	Fiji ..	51,898	27,479					Fiji ..	824,380	412,190				
Timber— Sawn, undressed ..	Mauritius ..	78,339	57,723					Other countries	459	446				
	Java ..	356,002	184,475											
	Other countries	12,369	6,479											
		498,670	276,157	6s. cwt.	6s. cwt.	6s. cwt.	..		834,278	420,483	3d. lb.	3d. lb.	Free	Loss, £186,000
		..	..	..	..	..	..	Australia ..	Sup. ft. 10,098,900	66,167				
								Other countries	299,131	3,924				
									10,398,031	70,091	2s. 100 super. ft.	3s. 100 super. ft.	2s. 100 super. ft.	Gain £1,500

RETURN showing Importation into New Zealand and Australia of the Articles specified in the Agreement and the Estimated Effect on the Revenue of each Country if the Agreement is ratified—continued.

Article.	Imported into, Australia, 1905.						Imported into New Zealand, 1905.							
	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for New Zealand.	Estimated Effect on Revenue of Australia.	Country whence imported.	Quantity.	Value.	Present Rate.	Proposed General Rate.	Proposed Preferential Rate for Australia.	Estimated Effect on Revenue of New Zealand.
Timber—continued Undressed Oregon, in sizes of 12 in. by 6 in. (or its equivalent) and over	Canada ..	Super. ft. 2,446,706	£ 9,698											
	United States of America	38,652,058	108,470											
	Portuguese East Africa	2,000	9											
		41,100,764	118,177	6d. 100 super. ft.	1s. 6d. 100 super. ft.	6d. 100 super. ft.	Gain £18,000							
Undressed, n.e.i., in sizes of 12 in. by 6 in. and over	India ..	Super. ft. 405,175	9,474											
	United States of America	1,154,604	8,166											
	Other countries	38,441	239											
		1,593,220	17,879	1s. 100 super. ft.	2s. 100 super. ft.	1s. 100 super. ft.	Gain £500							
Undressed, n.e.i., in sizes of less than 12 in. by 6 in. (or its equivalent)	New Zealand ..	Super. ft. 20,196	98											
	Canada ..	11,217,786	42,346											
	Russia, Norway, and Sweden	6,598,406	44,285											
	United States of America	36,867,197	189,469											
	Other countries	676,707	5,373											
Sawn, dressed ..		55,380,292	231,571	1s. 6d. 100 super. ft.	2s. 6d. 100 super. ft.	1s. 6d. 100 super. ft.	Gain £22,500							
	New Zealand ..	Super. ft. 21,238	231					Australia ..	Super. ft. 86,738	£ 1,961				
	Norway and Sweden	35,600,649	240,271					United States of America	40,795	632				
	United States of America	2,411,998	23,181					Other countries	7,900	270				
	Other countries	117,981	1,160											
Wine ..		38,151,816	264,843	3s. 100 super. ft.	4s. 100 super. ft.	3s. 100 super. ft.	Gain £17,500							
								Australia ..	135,433	2,863	4s. 100 super. ft.	5s. 100 super. ft.	4s. 100 super. ft.	Gain £25.
									43,946 gal.	15,193	5s. gal.	6s. gal.	4s. gal.	Loss £2,200.

SUMMARY

Australia gains	..	£121,930
New Zealand loses	..	..

	..	165,090

Approximate Cost of Paper.—Preparation, not given; printing (1,500 copies), £22 8s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1906.

Price 9d.]